

US asks allies to join in new sanctions on Russia

The United States is planning further retaliation against Russia for its military intervention in Afghanistan, and is asking its allies to help. Mr Harold Brown, the American Defence Secretary, said in Peking that China and the United States could answer Soviet actions with "complementary actions in the field of defence".

Middle East air and naval bases sought

In a speech condemning the Soviet military intervention in Afghanistan, Mr Brown said he had come to China to "broaden the security dialogue between our two governments and to exchange views on how we might facilitate wider cooperation on security matters".

Mr Brown went a long stride further than the Vice-President, who promised "close consultation", expanded professional contracts and exchanges, and discussions of specific defence problems.

The Defence Secretary made these statements at a banquet given by Mr Xu Xiangqun, the Chinese Defence Minister, in the Great Hall of the People. Although Mr Xu also attacked the Soviet Union's "aggression and expansion" as sources of a serious threat to world peace and independence, he did not go as far as Mr Brown in emphasizing the

mutuality of Sino-American interests. Mr Brown said that the United States is actively engaged in investigating the possibility of arranging port and landing facilities for its ships and aircraft in the Middle East. Mr Warren Christopher, Deputy Secretary of State, said on television today that such facilities might be found in Oman, Somalia and Kenya, and that the possibility of using facilities in Israel and Egypt was also being examined.

Mr Christopher said that the Western response to Soviet aggression in Afghanistan had to be firm, determined, and of considerable duration. He said he had found on his recent visit that European leaders regretted that their reaction to the Soviet invasion of Czechoslovakia in 1968 had lasted so short a time.

Very severe reprisals
Above all he said, the Soviet Union must understand that any further act of aggression would meet with very severe reprisals. Presumably the American forces in the Indian Ocean will be kept there and used immediately if there is a new Soviet advance in the region.

Mr Christopher specifically mentioned four ways in which he hoped the world would respond. They should not supply substitute grain to the Soviet Union; they should terminate aid programmes to Afghanistan; there should be some action with respect to diplomatic representation; and action should be taken similar to America's in the economic sphere.

He said that the Nato group would meet to discuss these matters this week. Defence cooperation with China: Mr Harold Brown, the United States Secretary of Defence, warned the Soviet Union in Peking today that if the shared interests of America and China are threatened, "we can respond with complementary actions in the field of defence as well as diplomacy".

Lions to tour South Africa
A British Lions rugby team will tour South Africa this summer. The four home rugby unions decided yesterday they would proceed with the planned tour of 18 matches, starting in May and ending in July, shortly before the opening of the Olympic Games in Moscow. England plan precautions against demonstrations expected when they play Ireland next week.

Korea CIA blunders
The South Korean secret service, the Korean CIA, is said to have done more to undermine its government's position than any communist plot.

Tito illness
Two heart specialists, one from America and one from Russia, have been called in to attend President Tito of Yugoslavia, who is 87. The President has a blood vessel ailment.

Sunday papers vanish
Two Paris Sunday newspapers, Le Figaro and France-Soir Dimanche, have stopped publication. Production and distribution difficulties are blamed for the disappearance of the first and staff claims for that of the latter.

Land mine kills three UDR soldiers

From Christopher Thomas Belfast

Three members of the Third Battalion of the Ulster Defence Regiment were killed and four seriously injured in a land mine explosion last night near Castlewellan, Co Down.

It happened at 8.30 pm at the Burren Bridge on the Dublin road when a remote-controlled bomb exploded under the front vehicle in a Land-Rover patrol.

They were on routine patrol travelling in two vehicles. The land mine claimed the 2,001st victim of Ulster's decade of terror. The three dead were in the first vehicle, which took the force of the blast. The second vehicle ran into the crater.

Talks resume: Ulster's politicians today begin the delicate process of trying to break the political stalemate that has characterized most of the past 11 years of bloodshed.

A constitutional conference, which nearly collapsed before it could start because of disagreement between Roman Catholics and Unionists over the agenda, opens at Stormont against the background of a threatened "imposed solution" by the Government if it fails to reach agreement.

The indications are that with or without accord no progress will be put to Parliament before the spring. Mr Humphrey Atkins, Secretary of State for Northern Ireland, who will be chairman at the sessions, is prepared to meet them for a week for at least three months, and longer if necessary.

The two key participants are the Rev Ian Paisley, leader of the Democratic Unionists, and Mr John Hume, leader of the Social Democratic and Labour Party. The two men, both European MPs, are said to have established a rapport during private discussions in Luxembourg and Strasbourg.

The Official Unionists are barely managing to maintain a public posture of unity over their instant refusal to join the conference. Mr James Molyneux, the party's leader, remains convinced that the talks will collapse and vindicate his opinion that they are a waste of time.

His strategy is based on the belief that the Government will then hand over extensive powers through a new regional council. He believes that seems increasingly improbable.

Mr Adams is determined not to hand powers back to Northern Ireland without extensive and elaborate safeguards for the Roman Catholic minority.

With the absence of the Official Unionists, the conference will be held solely by Mr Paisley, who is being described by the Dublin media as the most important unionist in Northern Ireland.

He emphasized his determination yesterday to make the conference work: "We will talk about things that can be achieved", he said.

"If we are all realistic there could be a measure of agreement for devolved power to elected representatives."

"The Union people will not give in to any system that is going to bring about a united Ireland."

Also out said Mr Paisley, was an institutionalized Irish dimension of power, sharing as under the old executive.

Somewhere in Whitehall Mrs Thatcher's plan had already been drawn up. "If we do not succeed there will be an imposed solution. I do not think we would like anything the British Government would put upon us."

IRA bomb factory, page 2
Leading article, page 13

Minister killed
Johannesburg, Jan 6—A minister in the Orange homeland government in South-West Africa has been killed by a landmine. Pastor Cornelius Ndjoba, the Chief Minister, said today that Mr Thomas Shikongo, Minister of Works, and his bodyguards died instantly when their car triggered the mine near the village of Ongandjera.

Name those who died in custody, MP says
Mr Michael Meacher, Labour MP for Oldham, West, has written to Mr William Whitelaw, the Home Secretary, demanding the names of the people who have died in police custody from non-natural causes. A minister had said he could not supply the names because it would cost too much.

Leader, page 13
Lectures: On the invasion of Afghanistan, from Professor R. A. Weale and others on assisted choice places, from Mr Mervyn Rees, MP.

Features, pages 6, 12
Jack Londale on the anniversaries of 1980: Profile of Herr Franz Josef Strauss by Patricia Clough.

Obituary, page 14
General Sir Roy Bucher.

Arts, page 9
William Mann on The Force of Destiny, the first evidence of Mark Elder's musical directorship of the English National Opera.

Sport, pages 6-8
Tennis: Gottfried and Ramirez win world doubles event; Nastase fined £2,500 for bad behaviour; Cricket: Australia need 191 to beat England.

Business News, pages 15-20
Financial Editor: Rising costs and the chemical companies; UK banking trying up the loose ends.



Rallying support: Bishop Abel Muzorewa, leader of the United African National Council, opening his campaign for the Rhodesian general election with a rally yesterday in Highfield black township near Salisbury.

About 5,000 people attended the meeting, the same number who supported a Patriotic Front rally last weekend. However, many of Bishop Muzorewa's supporters had been brought to Highfield in a fleet of several hundred buses.

The atmosphere yesterday resembled that of an American party convention. There were drum majorettes dressed in party colours and officials handed out sun visors bearing the words "vote for the UANC—the winners".

Guerrillas flock in, page 5

More public spending cuts essential for growth, Mrs Thatcher says

By Fred Emery Political Editor

More cuts in the coming year's public spending were essential if there was to be any chance of economic growth and of further reductions in income tax, Mrs Margaret Thatcher confirmed yesterday.

The Prime Minister was resolutely unspecific throughout a 50-minute interview on London Weekend Television. But she said she would be pleased "if we got £2 billion off", meaning a further reduction to 1980-81 public expenditure, which the Government had already cut back by about £3,500m from the last Labour Government's plans.

Mrs Thatcher said that she was looking at everything, "whether it's been a sacred cow or not". That review includes Civil Service manpower, the inflation indexing of unemployment and sickness and supplementary benefits, and subsidies to municipal housing.

Mrs Thatcher said she was not shying away from the battle against inflation and repeated her homily on people earning their standards of living not expecting to see them keep up with inflation. People must not automatically expect to have their standards of living linked to the retail price index.

A standard of living depends on what you earn and not on where the index is.

Fishermen's trip ends in tragedy
From Our Correspondent Liverpool

A fisherman died and two others were missing in the river Mersey off New Brighton yesterday when their light motor launch capsized in rough seas. Hundreds of spectators lined the promenade as an air-sea search was mounted. Merseyside policemen plunged into the sea and reached one man but could not bring him ashore. An RAF helicopter from Valley, Anglesey, later recovered the body.

Police last night named the dead man as Paul Richardson, aged 33, of Whitland Road, Fairfield, Liverpool.

The missing men, in their early 30s, were Raymond Bonk, of Liscard, Massie, the Wirral, and John Henry, of Edinburgh Road, Fairfield, Liverpool.

A joint meeting of executives of the ISTC and the NUB will follow tomorrow's discussions at the corporation's headquarters, and it, as seems likely, the meeting with the board set up by Mr Len Murray, General Secretary of the TUC, comes to nothing, the steelworkers will consider spreading their successful picketing to steel stockholders and the private sector.

TUC leaders who are anxious about the widening of the dispute and the impact it will shortly have on the manufacturing industry, will take part in the talks with the board, the first since 100,000 workers came out in the industry's first official all-out strike since 1925.

British Steel is expected to reject these conditions, arguing that the industry cannot afford more than the tentative package of 8 per cent across the board plus an extra 4 per cent guaranteed local productivity money proposed in talks with the unions last Friday.

A joint meeting of executives of the ISTC and the NUB will follow tomorrow's discussions at the corporation's headquarters, and it, as seems likely, the meeting with the board set up by Mr Len Murray, General Secretary of the TUC, comes to nothing, the steelworkers will consider spreading their successful picketing to steel stockholders and the private sector.

TUC leaders who are anxious about the widening of the dispute and the impact it will shortly have on the manufacturing industry, will take part in the talks with the board, the first since 100,000 workers came out in the industry's first official all-out strike since 1925.

British Steel is expected to reject these conditions, arguing that the industry cannot afford more than the tentative package of 8 per cent across the board plus an extra 4 per cent guaranteed local productivity money proposed in talks with the unions last Friday.

A joint meeting of executives of the ISTC and the NUB will follow tomorrow's discussions at the corporation's headquarters, and it, as seems likely, the meeting with the board set up by Mr Len Murray, General Secretary of the TUC, comes to nothing, the steelworkers will consider spreading their successful picketing to steel stockholders and the private sector.

Mrs Gandhi's party set for sweeping victory in elections

From Richard Wigg Delhi, Monday morning

Mrs Indira Gandhi's Congress Party appeared today by early results in this country's mid-term general election set to inflict a crushing defeat on the Janata party and return her to power not three years after she herself was stunningly defeated at the polls.

With results declared in only a tenth of the 544 constituencies which polled yesterday and last Thursday, Mrs Gandhi's party had secured 47 seats and the Janata party only four. The breakaway Lok Dal party of Mr Charan Singh has none so far.

In Delhi itself Mrs Gandhi's party had taken three of the four seats so far declared. The sole Janata seat, New Delhi, out of all seven Delhi constituencies which went to Janata in March 1977, was won tonight by Mr A. B. Vajpayee, the former External Affairs Minister, by a margin of 4,000 votes.

Mrs Gandhi, self assured as always, had gone to bed before midnight after the early trend was clear with her party ahead in 77 constituencies out of 89 where counting is proceeding.

It was a strange victory night in Delhi, in contrast to March 1977 when I remember the crowds of ordinary Delhi folk completely blocking the Shah Zafar Marg, this capital's Fleet Street, as they watched on the big polling boards themselves, the signs of Mrs Gandhi's defeat.

Last night there was only a small crowd of Mrs Gandhi's party supporters outside the offices of the Times of India which had lately come out for her as the election campaign began. They cheered almost automatically every Indira Congress victory, even when Mr Bansi Lal, Mrs Gandhi's former Defence Minister and friend of Mr Sanjay Gandhi went ahead in his Haryana constituency by 26,000 votes.

Three years ago Mr Lal was judged so malodorous by his party colleagues that they expelled him from the Congress. A first batch of constituencies voted last Thursday. Yesterday when a second batch of 298 constituencies went to the polls the overall turnout was put at 60 per cent.

Calculations being made here show that, if the present trends hold, Mrs Gandhi will have a comfortable majority in the 542-seat Lok Sabha.

In two other Delhi constituencies India Congress victories could be seen as national

pointers. In one where half the voters are Harijans (formerly Untouchables) Mrs Gandhi evidently got their votes and not the representative of Mr Jagjivan Ram, the Janata leader and the country's best known Harijan.

The other win was by a close friend of Mrs Gandhi's younger son, suggesting Sanjay has by no means been the hindrance to his mother's comeback he was widely thought to be during the campaign.

The Lok Dal party of Mr Charan Singh, the caretaker Prime Minister put in by President Sanjiva Reddy after the Janata party broke up in the summer, appeared headed for disaster, with even Mr Brij Prakash, the Agriculture Minister, trailing last night in an anti-Delhi agricultural constituency.

Among the former Janata ministers in difficulties were Mr H. M. Patel, who held the portfolios of Finance and Home Affairs, in his Gujarat constituency, and Mr Biju Patnaik, the Steel Minister, who for years has run Orissa as his political fief.

The only victory for the Government so far came from the Lakshadweep Islands, off the South Indian coast, where Mr Muhammad Sayeed, of the anti-Gandhi Congress which was in Mr Charan Singh's coalition, won his seat again.

It seemed only to underline at this early stage how bad were the fortunes on the mainland of the fatally split Janata, which in 1977 won more than 300 seats.

Last night's turnout was high in West Bengal, where the ruling Marxist Party is expected to do well, but only moderate in Uttar Pradesh and Madhya Pradesh, two states which saw a high turnout three years ago.

Despite units of the Indian Army being put on the alert at some "sensitive" constituencies in the northern state of Bihar, police had to fire into the air yesterday in one constituency to separate violent mobs backing rival candidates.

Frequent attempts by rioting mobs to capture polling booths were reported on a large scale in several Bihar constituencies. Three people were killed and five others injured when mobs were carrying out violent acts in a village in another Bihar constituency. Official sources said last night it was suspected that the mobs were being carried to disrupt polling.

More than 1,000 people were arrested by Bihar police today.

Sicilian leader shot dead by terrorists

From Peter Nichols Rome, Jan 6

Terrorists murdered Signor Piersanti Mattarella, the president of the Sicilian Regional Council, today. An anonymous telephone call claimed responsibility for the killing for a Movement of Revolutionary Fascists.

Signor Mattarella was shot in his car when he returned home with his wife and other members of his family. His wife was shot in the hand, apparently trying to protect her husband.

The victim, aged 44, was the island's leading Christian Democrat and son of a well-known politician. Though mortally wounded, he managed to leave the car and move towards his assassins before falling to the ground in a pool of blood. He died in hospital.

The assassination took place outside the victim's home and opposite the residence of the Prefect, the representative of the state in the island.

Signor Mattarella's 19-year-old son, Gennaro, was driving the car. He stepped out to open the garage door when the killers opened fire with what appeared to be large-calibre pistols.

Over the past 125 years - Savills have been providing a complete property service to clients in the City.

WHO CARES ABOUT THE CITY?

PARIS AMSTERDAM LONDON

SAVILLS

19 St. Swithins Lane, London EC4N 8AD. Tel: 01-626 0431 Telex: 8953710

WEST EUROPE Distribution problems kill two Paris Sunday newspapers

From Charles Hargrove
Paris, Jan 6

Two Sunday newspapers, *Le Figaro Dimanche* and *France-Soir Dimanche*, appeared for the last time today, only a few months after they were launched. This proves once again that whatever they are based on Sunday mornings, Frenchmen, unlike their British counterparts, do not read newspapers. They are, in fact, statistics prove, far less voracious consumers of newsprint in any case than their neighbours on the other side of the Channel.

One reason is probably that newspapers are not delivered on their doorsteps, either on Sunday or on any other day. And even if they have the courage to go out and buy one on Sundays, the kiosk and newspaper shops closed, this can be quite a painstaking operation.

Another reason is that the choice, until recently, was extremely limited. Only two newspapers were available. These were, the semi-popular *Journal du Dimanche*, owned by the Hachette group, and separated from its parent, *France-Soir*, which was the press magazine, acquired control of the latter four years ago; and the unashamedly sensational *France-Dimanche*, a rather pale French version of the *News of the World*.

Here then, some newspaper publishers felt, was a vast potential market ready to be tapped. *Le Figaro Dimanche*, launched last October, has a circulation of about 60,000. As for *France-Soir Dimanche*, it achieved the creditable score of 100,000 copies after only four months. But both lagged far behind the *Journal du Dimanche*, which has been going for 20 years and has a circulation of about 1,000,000.

Le Figaro Dimanche announced today that it was abandoning publication because of "production difficulties and an inadequate system of distribution on Sundays".

As for *France-Soir Dimanche*, it was being wound up because the claims put forward by its editorial staff were said to be "incompatible with the economic situation". But the real grounds for both newspapers' disappearance are the same.

Before Christmas, the management of *France-Soir* told the joint works committee that it wanted to convert the entertainment and sports pages of the

newspaper with those of *France-Soir*. In order to achieve a better operation of both titles, an overwhelming majority of the editorial staff of *France-Soir* rejected the move on the ground that "seven pages of the daily are going to be incorporated in the Sunday without any financial or moral compensation".

The National Union of Journalists and other journalists' unions demanded a meeting with M. Hersant and condemned what they described as "another attack on the pluralism of the press".

M. Hersant, who has centralized the production of the three Paris daily newspapers he controls, his ultra-modern computerized plant in Saint-Denis just outside Paris, was reported to be planning to couple several pages of *Le Figaro Dimanche* and of *France-Soir Dimanche*, and also a projected *Paris-Normandie* yet to appear, in order to reduce costs.

Already, most of the inside pages of the independent right-wing newspaper *L'Aurore*, which he directs in all but name, are the same as those of *Le Figaro*. On Friday, for the first time, on its front page, which alone gave *L'Aurore* its distinctive character, it carried an article which also appeared on the same day in *Le Figaro*.

It is this disturbing trend which is just as strong if not stronger in the French provincial press that prompts many critics of M. Hersant to say that he has preserved only a semblance of pluralism in the publication of the press, the contrived version of the 1944 Ordinance on the Press.

By contrast with the difficulties of the Sunday Press, a number of daily newspapers have successfully branched out into publishing the weekend supplements sold with their Saturday editions. The most successful are *Le Figaro Magazine*, a well-produced and profitably illustrated glossy publication, which in three months has topped the 100,000 mark; and *Le Monde Dimanche* which has increased its sales on Saturday by 67 per cent. The independent left-wing *Le Matin* paved the way last June by abandoning its Sunday edition for a Sunday supplement.

Whatever the staff and distribution problems of the Sunday press, it would seem that Frenchmen's reading habits were satisfied with these supplements and that the market shows signs of becoming saturated.

Pope visits boys in detention

Rome, Jan 6.—The Pope spent the whole afternoon today with some 60 inmates at a juvenile detention centre in Rome. He hummed to their guitar tunes, ate chocolate with them, told them stories of love and hope and prayed with them.

The boys at the Casal del Marmo facility, all between ages of 14 and 18, prepared for weeks for the papal visit. They gave the Pope a mosaic portrait of the Black Madonna of Czestochowa of Poland.

The boys, serving time for robberies, muggings and other crimes committed in the Rome area, welcomed the Pope at the institute's chapel.

Responding to their welcome the Pope told the boys: "I have come here today because I love you and have faith in you—in your goodness, honesty and diligence. When you feel lonely, and sometimes you do feel that nobody cares for you, I want you to know that the Pope is with you and prays for you for the speedy return as responsible members of the society."—AP.

Climber dies

Madrid, Jan 6.—Manuel Pages Font, who was 25 and one of the most promising Spanish climbers, died in an avalanche while climbing the 9,444ft Pic de Maubert in the French Pyrenees. His two companions escaped.

King Juan Carlos praises army chiefs' calm

Madrid, Jan 6.—King Juan Carlos today praised Spain's military chiefs for maintaining discipline in the face of terrorist attacks and cautioned them against attempts by extremists to provoke them.

In a speech marking traditional armed forces festivities, the King said he shared their "most intense sorrow when our companions are vilely assassinated—a reference to the death of 11 military men last year in terrorist attacks. The severity, discipline and silent suffering of the armed forces were an example for all Spain to follow, he said.

But, in an apparent reference to calls from extreme rightists for the Army to take over power, the King added: "Let no one identify you with his own interests."

The King's discreetly worded speech was warmer in tone than last year when he delivered a sharp reminder to the military chiefs that he expected firm discipline.

Extreme rightists, nostalgic for the days of General Franco's dictatorship, have made repeated calls for the Army to reverse Spain's transition to democracy.

Britain in EEC budget initiative

Sir Ian Gilmour, Deputy Foreign Secretary, flew to Rome yesterday on a diplomatic initiative to start negotiations for a refund of Britain's £1,000m EEC budget contribution.

His talks start with the Italian because their Prime Minister is the current President of the EEC.

It will be for them to decide whether there is enough support for the calling of a special summit, probably in February, to discuss Britain's demands.

Sir Ian intends to tour the other eight Community capitals over the next week and Sir Geoffrey Howe, the Chancellor of the Exchequer, will also be invited to visit.

Whitehall now talks less of the "broad balance" required in Britain's contributions, which was the theme of Mrs Thatcher's forceful demands at the Dublin summit.

Instead, officials seeking to soften the approach, now talk of her later remarks to the Commons on "the search for a genuine compromise".

Sir Ian is expected to accept that Britain is ready to explain that £350m budget reduction mentioned in Dublin, on the understanding that more Community money should be spent in Britain on such things as regional aid or the coal and steel industries.

However, the French made it clear in Dublin that the £350m reduction was conditional on this being accepted by Britain as a final settlement.

The most unyielding stance against Sir Ian, who will make Paris the last stop on his tour.

AFGHANISTAN Kabul jail opened to free 10,000 detainees

Islamabad, Jan 6.—Afghanistan's new Soviet-installed government today opened the gates of Kabul's main jail, freeing thousands of political prisoners who had been detained by the country's previous Moscow-backed administrations. Diplomats arriving in Pakistan said.

The diplomats, who were invited to the opening, said a queue of cars and people miles long snaked along the main road from Kabul to the Pul-e-Charki prison beside hills on the capital's eastern outskirts.

Pul-e-Charki, built with West German aid as Kabul's main prison, was the site of numerous "executions" carried out by officials of the former governments of President Taraki and his successor, President Amin.

The prison was crammed with an estimated 10,000 to 15,000 prisoners, many of whom had been rounded up by Kabul's secret police on orders from Mr Amin and his followers.

Its name means "gateway to the sky", but it was frequently referred by Afghans as "gateway to heaven".

The hundreds of Afghans who were taken to the prison today were trying to find out if missing relatives were inside or still alive after their disappearance from homes and off the streets during night-time raids by secret police squads, the diplomats said.

President Karmal, on taking power, promised to free all political prisoners. He described Mr Amin as a tyrant who was responsible for the deaths of thousands of innocent Afghans.

The diplomats said Kabul airport had returned to normal following last week's huge airlift of Soviet troops.

Soviet supplies were being landed at airports across the country, particularly Bagram, the main Russian staging post 50 miles north of Kabul at Shindand air base near Herat close to the Iranian frontier and at Jalalabad.

The Soviet presence in Kabul has been substantially reduced. Afghan troops are being sent to the main Russian staging post 50 miles north of Kabul at Shindand air base near Herat close to the Iranian frontier and at Jalalabad.

The Soviet troops could be seen. The diplomats said that pairs of Soviet soldiers often toured the city at night and an unknown number had been killed in knife attacks.

Meanwhile a spokesman for the United Nations High Commission for Refugees said an average of 1,000 refugees a day fled from Afghanistan to Pakistan during the last two weeks in December.

According to figures compiled by the Pakistan Government and the High Commission there were 400,000 Afghan refugees in Pakistan at the end of the year.

The official figure does not take into account the estimated several thousand refugees who are being looked after by relatives outside the camps.

Mr John Connolly, former Governor of Texas, said: "Our people (in Tehran) are hostages because we have shown weakness and appeasement."

The other contestants appearing were Mr George Bush, a former congressman who, like Mr Connolly, opposed the embargo though with less vehemence than some others; Congressman Philip Crane, who opposes it passionately; and Congressman John Anderson, who supports the President.

Egypt decides to reduce Soviet Embassy and offers to train Afghan guerrillas

Aswan, Egypt, Jan 6.—Egypt said today that it had decided to reduce the size of the Soviet Embassy in Cairo and to consider breaking relations with the Soviet Union, because of the invasion.

Mr Mansur Hassan, the Minister of State for Presidential Affairs, said that Egypt considered the Soviet intervention in Afghanistan a serious threat, not only in Afghanistan but in the Middle East.

Mr Hassan said Egypt was prepared to train Afghan volunteers militarily in Cairo and added: "We have no objections in sending arms (to the Afghan people) whenever possible to resist the Soviet aggression."

He called for an Arab Islamic conference to discuss developments in Afghanistan.

He said Egypt would consider



Afghan protest: Demonstrators, mostly Muslims, chanting anti-Soviet slogans at Speakers' Corner, Hyde Park, in London yesterday, before marching to the Soviet Embassy. The demonstration, against "Russian imperialism", was called by the Muslim Solidarity

Committee of the United Kingdom, which condemned the invasion of Afghanistan and demanded that the Soviet Union withdraw its troops. In a resolution, the committee also condemned the United States and its allies which had used the invasion "as a cover-up for their own crimes" and said that any "puppet" Muslim government making military bases available to the United States would be regarded as making "war against Islam".

Republicans differ over wisdom of imposing grain embargo on Russia

From Patrick Brogan
Washington, Jan 6

Six Republicans seeking their party's presidential nomination met in Iowa last night and jointly attacked President Carter's foreign policy for "weakness and appeasement". But they differed over the wisdom of imposing a grain embargo on Russia. It was noticeable that those who expect to do well in the Iowa caucuses on January 21 opposed the embargo. Iowa is a farm state and will suffer severely from the loss of grain sales to Russia.

Senator Robert Dole said that the embargo would devastate American farmers. "I don't know where he stands on the issue," said Howard Baker, who said that foodstuffs were not a useful weapon of foreign policy and that the only people seriously harmed by the embargo were American farmers.

Mr John Connolly, former Governor of Texas, said: "Our people (in Tehran) are hostages because we have shown weakness and appeasement."

The other contestants appearing were Mr George Bush, a former congressman who, like Mr Connolly, opposed the embargo though with less vehemence than some others; Congressman Philip Crane, who opposes it passionately; and Congressman John Anderson, who supports the President.

Indeed, Mr Anderson wanted the embargo extended, and said it was strange to hear people calling for strong measures against the Soviet Union and at the same time opposing the most effective measures Mr Carter has used.

A notable absentee was Mr Ronald Reagan, the former Governor of California, who is in the lead among Republicans and the opinion polls, and who could see nothing to gain from taking part in the debate. Mr Connolly won laughter and applause from the audience when he said: "I wish Mr Reagan were here. I don't know where he stands on the issue, but I read, I watch, I listen, but I don't hear anything. I think he has different ideas—if he is running, I think he is running."

"Debate" is really the wrong word for this sort of exercise. A panel of four reporters asked a series of questions and the first man to be asked had three minutes in which to reply, the others having each a minute in which to comment.

Each took his turn to answer, and there were 18 questions between them. Mr Anderson once refuted his rivals' assertions and passionately reasserted his faith in the merits of a 50 cents a gallon tax on petrol, but otherwise, they all sedulously avoided debating to

gether.

On such an occasion, the candidates could do little more than state their opinions generally on the questions put to them, and endeavour to differentiate themselves from the others. They all tried to impress favourably the voters of Iowa, who will gather in precinct caucuses on January 21, to choose delegates to a state convention which will meet in the spring to select delegates to the party nominating convention.

The candidates' success may be measured, in opinion polls, in the next few days. Mr Dole, for instance, said plaintively at one point that Iowa voters did not seem to be aware of his war record, his achievements in Congress and his candidacy for the White House in 1976. Those who watched him know now.

The real test will be on January 21, although it is not a very important one in terms of next summer's conventions. In the Democratic caucuses in 1976, the largest block of delegates went to "uncommitted" candidates. Mr Jimmy Carter came second, and this apparent victory over his rivals started his "momentum" towards the presidency.

France against any steps in retaliation

Paris, Jan 6.—France will not take retaliatory measures against the Soviet Union although it considers the Russian intervention a severe blow for détente, M. Jean François Poncet, the Foreign Minister, said today.

Answering questions during a radio news programme, he said: "Before drawing pessimistic consequences, France considers it better to pursue a dialogue with the Soviet Union to stress its responsibility."

He added: "We do not intend to take any retaliatory measures. Our talks with Soviet leaders will show them that we are deeply attached to détente but without weakness or complacency."—Reuter.

Moscow ire roused by export cut

Moscow, Jan 6.—The Soviet leadership tonight dismissed President Carter's decision to cut grain supplies to the Soviet Union as a "hopeless undertaking" which would not influence Soviet foreign policy.

The statement, quoted by the Tass, referred to President Carter's announcement on Friday that he was ordering a cut of 17 million tonnes in grain shipments to the Soviet Union.

The statement said: "If the White House has decided to influence the Soviet Union and its foreign policy, this is a hopeless undertaking. Such attempts have flopped in the past and will flop now."

The Soviet leadership said President Carter's speech was largely couched in the language, and permeated with the spirit, of the "cold war".

His remarks and decisions were unbalanced and neglected the vital long-term interests of peace, relaxation of international tension, and constructive development of Soviet-American relations.

President Carter was "heating the passions of those circles in the United States that have long been displeased with the policy of détente".

He had also overestimated the "potentialities" of the United States and was underestimating those of the states against whom he intended to take action. "No one in the United States should have any doubts that the Soviet Union will be able to uphold its law of interests, the interests of its allies and friends."

The statement added that President Carter's words were not in keeping with the responsibilities which the United States had to bear.

Earlier today, the Soviet Communist Party newspaper, *Pravda*, accused President Carter of resorting to intimidation and blackmail.

Mr Yuri Zhukov, the *Pravda* commentator, said America's retaliatory moves brought to parody the bellicose hysteria being deliberately fanned in the United States over events in Afghanistan.

President Carter had taken up again the "rusty weapons" of intimidation and blackmail which the United States had used many times, always without success, against the Soviet Union. Mr Zhukov said.—Reuter.

Patrols pass streets of silent crowds

Kabul, Jan 6.—Afghan soldiers and civilians crowded the pavements here today in the atmosphere of uneasy waiting that has settled over the city. Soviet Army trucks, jeeps and armoured cars have been patrolling their armed occupants surveying the crowds. As they pass, the Afghans watch without a word, gesture, or sign.

Just outside the city, an Mi-24 helicopter gunship bearing the Soviet emblem today made several noisy swoops over thousands of Afghans who were gathered outside the Pul-e-Charki prison, awaiting the release of 2,000 political prisoners. The Soviet crew waved from the open cockpit as the helicopter passed over, but none of the Afghans below returned the salute.

All official buildings are guarded by armed Afghan soldiers who are loyal to the new regime.

Russian soldiers can still be seen in the streets, although the Soviet military presence in Kabul has decreased considerably.

The troops appear to be in their twenties, with equal numbers of Asian and European features. The officers looked older and were apparently professionals.

In spite of heavy military concentrations outside Kabul, particularly near the airport, the reduced Soviet presence in the capital has renewed access to the city for foreign journalists has been viewed as a kind of "operation charm", planned by Soviet authorities and the new Afghan leaders to present a better image to the world.

Afghan television private foreign journalists, who were allowed into the country only today, more than a week after the coup, try to communicate in broken English: "English, French good, Russia no good."

The only sign of politics in the capital is a banner on the wall adorned with red banners bearing the emblem of the Afghan People's Democratic Party. —Agence France-Press.

Four-hour seizure of embassy

Tehran, Jan 6.—A group of Afghan theological students and workers occupied their country's embassy in Tehran for about four hours today and locked up 13 people.

After talks with a Foreign Ministry official, they left peacefully, chanting "God is great" and "Soviet troops, get out of Afghanistan". The group, numbered about 40, sifted through files and hung banners from the windows.

Islamic revolutionary guards were posted outside but made no attempt to remove the unarmed intruders, waiting for a police chief and the official to negotiate an end to the occupation.

Before dispersing, the demonstrators were allowed to read a lengthy statement condemning the Soviet intervention in Afghanistan over a megaphone mounted on a revolutionary guerrilla vehicle.

They said they were Afghan Shia Muslims with links to the guerrilla movements fighting in northwest Afghanistan. They pledged allegiance to Ayatollah Khomeini.

Three people were shot and wounded in clashes today in the Gulf port of Bandar Lengeh, the scene of bitter fighting yesterday between Sunni and Shia Muslims.

A convicted adulteress was shot dead in a hospital mortuary in northwest Iran when it was found that she was carrying a fetus, the *Pravda* news agency reported. The woman, Babaei, was transferred to the mortuary in the city of Ardebil after being shot by the firing squad. Several hours later she showed signs of life and a guard was ordered to kill her by the local revolutionary court.—Reuter.

US and Turkey near accord on defence pact

From Our Correspondent
Ankara, Jan 6

Talks between Turkish and United States delegations on concluding a defence cooperation agreement between the two countries began this afternoon in Ankara.

The head of the American delegation, Mr Matthew Nimetz, a State Department counsellor, held an hour and a half of "fruitful" talks with Mr Hayrettin Erkmen, the Turkish Foreign Minister.

He is reported to have told Mr Erkmen of the importance the United States gives to its relations with Turkey and of American interest in Turkey's defence and economic requirements.

Diplomatic sources in Ankara said they expected all or part of the agreement, which consists of a global document and three annexes, to be initiated before the departure of Mr Nimetz next Wednesday.

This is also the date on which the "temporary status" enjoyed by some 20 American military installations in Turkey will expire.

This "temporary status" was accorded by Turkey after the signing of a previous defence agreement between the two countries in 1976.

Turkey had taken over the control of the American bases in 1975, after a congressional decision to impose an arms embargo against this country because of its military intervention in Cyprus.

Full text of President Carter's Afghanistan declaration

Here is the full text of President Carter's statement on Friday night on the Iran crisis and Soviet intervention in Afghanistan.

I come to you this evening to discuss the most important and rapidly changing circumstances in southwest Asia.

I continue to share with you the sense of outrage and impatience because of the kidnapping of innocent American hostages and the holding of them in a small non-aligned, non-Soviet country.

Our purposes continue to be the protection of the long-range interests of our nation and the safety of the American hostages. We are attempting to secure the release of the Americans through the International Court of Justice, through the United Nations and through public and private diplomatic efforts. We are determined to accomplish this by the use of all means, without bloodshed and without further danger to the lives of our 50 fellow Americans.

In these efforts we continue to have the strong support of the world community.

The unity and common sense of the American people under such trying circumstances are essential to the success of our efforts.

Recently there has been another very serious development which threatens the maintenance of peace in southwest Asia. Massive Soviet military forces have invaded the small non-aligned, sovereign nation of Afghanistan, which had hitherto not been an occupied satellite of the Soviet Union.

Fifty thousand heavily armed Soviet troops have crossed the border, and are now dispersed throughout Afghanistan, attempting to conquer the fiercely inde-

pendent Muslim people of that country.

The Soviets claim falsely that they are invading Afghanistan to help protect that country from some unnamed outside threat. But President Amin, who had been the leader of Afghanistan before the Soviet invasion, was assassinated—along with several members of his family—after the Soviet invasion.

Only several days later was the puppet leader even brought into Afghanistan by the Soviets.

This invasion is an extremely serious threat to peace—because of the threat of further Soviet expansion into neighbouring countries in south-west Asia, and also because such an aggressive military policy is unsettling to other peoples throughout the world.

It is a callous violation of international law and the United Nations Charter.

It is a deliberate effort of a powerful atheistic government to subjugate an independent Islamic people.

We must recognize the strategic importance of Afghanistan to stability and peace.

A Soviet-occupied Afghanistan threatens both Iran and Pakistan and is a stepping stone to their control over much of the world's oil supplies.

The United States wants all nations in the region to be free and to be independent. If the Soviets are encouraged in this way, the entire balance of the world will be changed. This would threaten the security of all nations including, of course, the United States, our allies and friends.

Therefore, the world cannot stand by and permit the Soviet

Union to commit this act with impunity.

More than 40 nations have petitioned the United Nations Security Council to condemn the Soviet Union and to demand the immediate withdrawal of all Soviet troops from Afghanistan.

Under the United Nations Charter the Soviet Union and other permanent members may veto any action of the Security Council. If the will of the Security Council should be thwarted in this manner, then an immediate action would be appropriate in the General Assembly of the United Nations where no Soviet veto exists.

In the meantime, neither the United States nor any other nation which is committed to world peace and stability can continue to do business as usual with the Soviet Union.

I have already recalled the United States ambassador from Moscow to Washington. He is working with me and my senior advisers in an immediate and comprehensive evaluation of the whole range of our relations with the Soviet Union.

The successful negotiation of the Salt 2 treaty has been a major goal and a major achievement of this administration—and we Americans, the people of the Soviet Union, and indeed the entire world will benefit from the successful control of strategic nuclear weapons through the implementation of this carefully negotiated treaty.

However, because of the Soviet aggression, I have asked the United States Senate to defer further consideration of the Salt 2 treaty so that the Congress and I can assess Soviet actions and intentions and devote our primary attention to the legislative and other measures required to respond to this crisis.

As circumstances change in the

future we will, of course, keep under review in consultation with the leaders of the Senate.

We will delay opening of any new American-Soviet consular facilities, and most of the cultural and economic exchanges currently under consideration will be deferred.

I have decided to halt or reduce exports to the Soviet Union in three areas which are particularly important to them. These new policies will be coordinated with those of our allies:

I have directed that no sales of high technology or other strategic items will be licensed for sale to the Soviet Union until further notice, while we revise our licensing policy.

Fishing privileges for the Soviet Union in United States waters will be severely curtailed.

The 17 million tons of grain ordered by the Soviet Union in excess of that amount which are committed to sell under a five-year agreement will not be delivered. This grain was not intended for human consumption but was to be used for building up Soviet livestock herds.

I am determined to minimize any adverse impact on the American farmer from this action. The undelivered grain will be removed from the market through storage and price support programmes.

We will also use increased amounts of grain to alleviate hunger in poor countries and for school production here at home.

After consultation with other principal grain exporting nations, I am confident that they will not replace these quantities of grain by additional shipments to the Soviet Union.

These actions will require some sacrifice on the part of all Americans, but there is no doubt that these actions are in the interest of world peace and the security

of our own nation, and are also compatible with our goals being taken by our own men trading partners and other nations who share our deep concern about this Soviet threat to world stability.

Although the United States does not intend to withdraw from the Olympic Games scheduled in Moscow this summer, the Soviet Union's aggressive actions will endanger the participation of athletes and the travel of spectators who would normally wish to attend the Olympic Games.

Along with other countries we will provide military equipment, food, and other assistance to help Pakistan defend its independence and national security against the serious threat it now faces from across the border in the Soviet Union.

Neither our allies nor our potential adversaries should have the slightest doubt about our willingness, our determination, and our capacity to take the measures I have outlined.

I have consulted with the leaders of Congress and am confident they will support legislation that may be required to carry out these measures.

History teaches perhaps few clearer lessons. But surely one such lesson is that the world at great cost is the aggression unopposed becomes a contagious disease.

The response of the international community to the Soviet attempt to crush Afghanistan must match the gravity of the Soviet action.

With the support of the American people and working with other nations, we will deter aggression, preserve the peace, and the security of the world.

The United States will meet its responsibilities.

مکان المصل

Window Improvements

It only takes a minute to acquire 130 years' experience

By car to the Continent



Competition between the operators of cross-Channel ferries is fiercer than ever. This report looks at some of the new routes and services that will be on offer during 1980; it also advises the motorist on preparations for the trip and on where to stay for the first (and last) night on the other side

In 1979 about half a million British cars, motor caravans and dormobiles crossed the Channel to the Continent, which means that some million and a half people chose a motoring holiday in Europe. It is a figure that has stabilized over the past two years and the early guesses for 1980 suggest a similar level.

It will depend almost entirely on the general economic climate—the level of prices, linked to the strength or otherwise of the pound—as well as specific fears about the cost and availability of petrol. Last year there was a noticeable drop in continental bookings

during the petrol shortage in Britain, for if petrol was difficult to find here motorists hardly wanted to risk being stranded abroad.

In the event, the scare was largely unfounded and cross-Channel traffic revived. But it needs only one tremor from the Middle East for the fears to start up again. Meanwhile, in spite of the dramatic rise in petrol prices at home over the past year, most continental countries are still

Europe are significantly higher than ours.

So the travel trade is being very cautious about 1980, hardly daring to venture a prediction. Townsend Thoresen, one of the major car ferry companies, has increased its car-carrying capacity by 50 per cent for the coming season, though more in the hope of winning customers from rival operators than in the expectation of a big upsurge in business overall.

ated that only 4 per cent of British car owners take their vehicles abroad and argues that this leaves a vast potential market to be tapped. One of the intentions of this in 1980 is to extend offers of bargain fares for travelling at off-peak times.

The Royal Automobile Club has planned its continental motoring schedule for 1980 on the expectation that those motorists who do venture abroad will probably travel shorter distances and turn increasingly to self-catering holidays, either camping and caravanning or renting flats.

So the RAC is offering more holidays in northern and central France this year and feels that the distance factor could increase the popularity of the Benelux countries.

For a few thousand British motorists in 1980 there will be a more ambitious target—the 1,700-mile trip to Moscow for the Olympic Games which start on July 19. The advice of the Automobile Association, which has tried to get motorists to leave at least six days for the journey, is: once into the Eastern bloc it is necessary to keep to specific roads and stay at certain

Of several possible routes the most direct is through East Germany and Poland, entering the Soviet Union near Brest and proceeding to Moscow via Smolensk. One good thing is that petrol is easily available in Eastern Europe and though the Russian road network as a whole is rudimentary, the AA men were impressed by the quality of the main arteries. Moscow itself is served by a elaborate system of ring roads which puts London to shame.

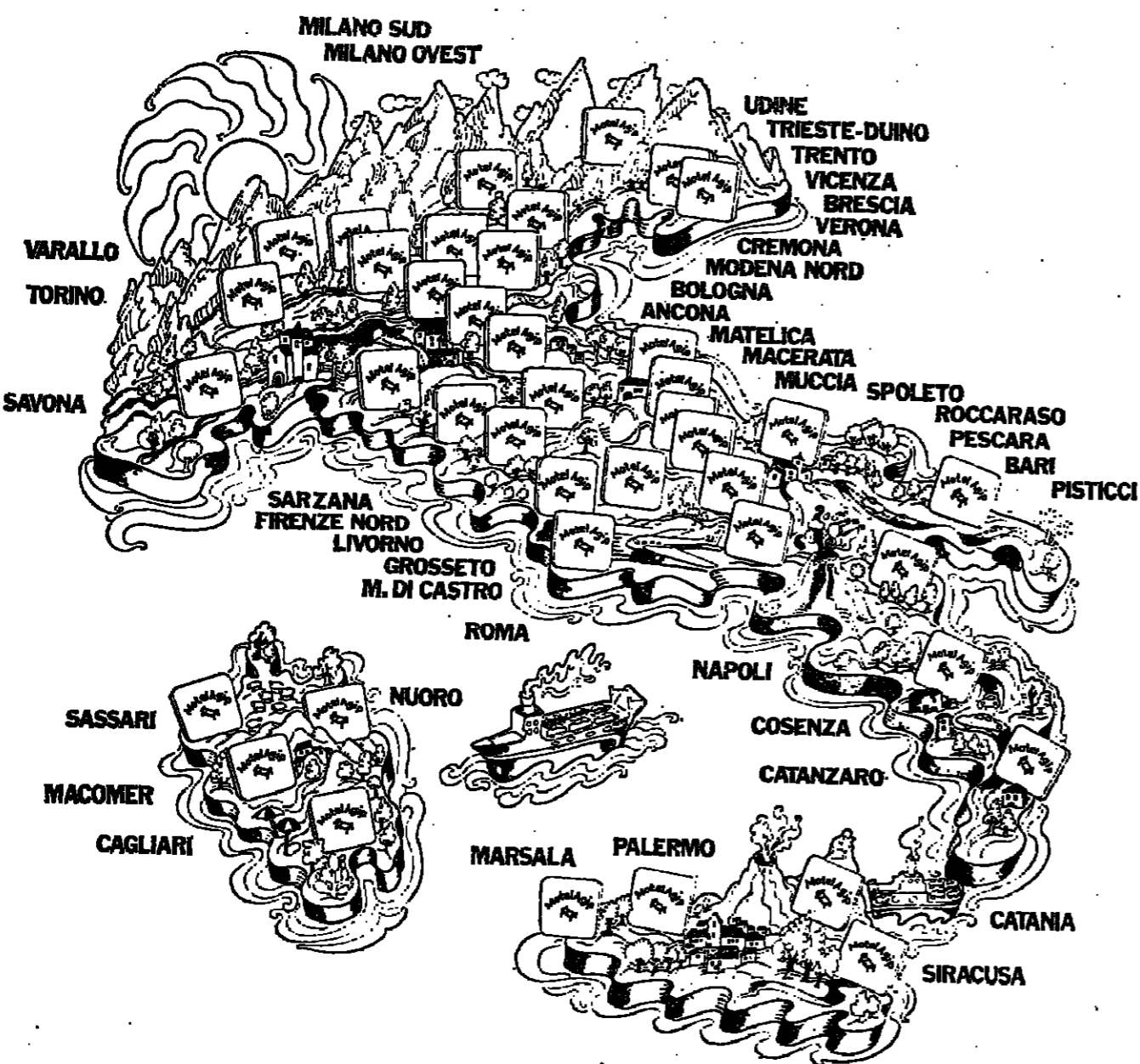
But the roads are constantly under repair, which is one argument for not driving at night; the other is the difficulty of reading signs in the Russian alphabet. Petrol stations are few and far between in Russia as are public telephones and since service stations (where they exist) are most unlikely to carry spares for British cars, it is essential to take them with you.

Despite the economic climate, there is much to be said for taking the car and the freedom to get off the beaten track.

explore at your own pace. And although driving on the right and dealing with surance traffic laws may sound daunting, most British motorists get through without difficulty. But it is worth buying peace of mind by subscribing to a breakdown service and taking out adequate insurance both against mishaps with the car and what can be frighteningly high medical bills.

Peter Waymark
Editorial Correspondent

Motel Agip.
A good hotel
at the right moment
of your trip.



MotelAgip

For further information write to:
SEMI — P.zza E. Mattei, 1 — 00144 ROME ITALY

Please send me information concerning the Motel Agip chain.

Name

Address

144 ROME ITALY

هكذا من الأصل

Ferry passengers fare well for France

This year will be an unusual, and indeed historic season for the cross-Channel holidaymaker. For not only is there an unprecedented choice of routes and services to Europe from Newcastle right round to Plymouth, and a choice of modes from conventional ship through hovercraft to hydrofoil; but—and this is the real news—there is for the first time for many years a real choice of fares on the short-sea routes from Dover to Calais and Boulogne, after the breakdown last autumn of the traditional price-fixing agreement under which the ferry operators charged the same for tickets interchangeable between their different ships.

Just who is responsible for this blessed event seems to be somewhat in doubt; British Rail Sealink the consortium of railway ferry operators, and Thorsen, the leading private enterprise group, both claim credit for it. That is not in doubt is that the railers will be a beneficiary over

A word of warning though: all the operators seem to agree that the peak summer season—the weekend of last July 1 and August—will still be booked up well in advance, so do not expect bargain offers for those nearer the time. For the railers, however, the early remains a wise rule even in this remarkable year.

Kirby, managing director of Sealink, put it last month: "The Channel may still be the world's most expensive stretch of water, but in 1980 it will be getting less so."

As an indication of the company's intentions, Sealink announced an unprecedented fare of £20 return for a car and two people to France. That is more than a fifth of the normal rate. The trouble is that the same

The advent of new ships and new operators means that there will be a wider variety, not only of fares but also of types of service. The new ships, built in Germany at a cost of £51m, will, at 8,000 tons be bigger than anything yet seen on the Channel, offering a wider range of comforts in shopping, recreation, and restaurant facilities.

More important to many passengers, perhaps, will be the time-saving offered by the higher speed, giving a crossing of 75 minutes against the traditional 90, and the double-deck entry and exit, cutting loading and discharge times by up to 30 minutes.

December; while the October-December period will be available for only a few summer bookings made before the end of this month. P & O, the most recent addition to the cross-sea ferry operators, is determined to use the emancipated market to its own advantage, with the addition of a new ferry, more frequent sailings, and fares which it claims are under those of its rivals. The company has a fleet of 12 for car and driver or 226 for a family of four between Dover and Calais, and 12 between Dover and Harwich.

The two hovercraft services, British Rail Seaspeed from Dover to Boulogne and Hoverlloyd from Calais to Calais, hope to maintain their 30 per cent share of the short sea market with frequent sailings giving a crossing time of only 35 to 40 minutes. A small cloud overhangs these two concerns: Hoverlloyd is for sale because of its financial difficulties; the British Rail Seaspeed service is under serious unreliability of its French-built N500, brought into service for the first time last year in an effort by France to match Britain's fleet in hovercraft. But Seaspeed's two "stretched" Mountbatten craft are performing exceptionally well, and popularity of both these routes for the traveller in a hurry should be main-

tained for the time being. The farther one gets from the Channel, generally speaking, the hungrier the crossing, the bigger the fare, and the more cruise-like the voyage becomes, with plenty of cabins where overnight crossings are involved. The most distant of these categories

Southeastampton-Le Havre and Cherbourg; Weymouth-Cherbourg; Portsmouth-Cherbourg/Le Havre/St. Malo; Newhaven-Dieppe; Dover-Zeebrugge; Ostend; Ramsgate-Zeebrugge; Sheerness-Vlissingen; Harwich Hook, and Felixstowe-Zeebrugge.

Some of these routes have been going since before the war but many have emerged only since the Channel tunnel project was cancelled in 1962. The car ferry routes mentioned here are jerrill services for passengers only between the Thames and Zeebrugge, and Brighton and Dieppe, with onward road or rail services to other cities. Now the Channel tunnel is being heard again, but this time in the form of a rail-only tunnel that should fruitfully complement the car ferries rather than stifle their expansion as the last one threatened to do. All in all, a fascinating prospect, both for ferry operators and tourists and ferry operators.

Michael Bailly
Transport Correspondent

Michael Baily
Transport Correspondent

**Hoverlloyd
winter fares.
They'll save you
more than time.**

Fast crossings for you, your car and four passengers from less than £5 per head.
There's no easier way to take your car across the Channel than with Hoverloyd.

It's a simple, fuss-free drive down to Ramsgate and, then, Hoverlloyd takes over with a boarding system that's unmatched anywhere for speed and efficiency.

And, of course, with a flight time of just 40 minutes you're in Calais almost before you've noticed.

What a great way to start a winter break! Best news of all is the Hoverfloyd winter fare tariff. Just check those fares out against the alternatives. You won't find a better deal. Book that Hoverfloyd trip now. It's how to spend less on your journey, more on your winter break.

Examples from Winter tariffs,
Ramsgate to Colais, car and
up to 5 occupants.

Up to 11"2" (e.g. Min)
Up to 12"2" (e.g. VW Golf)
Up to 14"4" (e.g. Alpine)

Economy Dr Tariff
8 Jan - 15 March

	£24.50
	£26.00
	£31.50

Reservations: Contact your Travel Agent, Motoring Organisation or Hoverfloyd, Ramsgate, Kent.
Thanet 0843 55555, London 01-499 9481,
Manchester 061-228 1453, Birmingham 021-236 2186.
In person: 8 Berkeley Square, London W1.



HOVERLLOYD
RAMSGATE TO CALAIS IN 40 MINUTES

In the boot, under the bonnet and inside the cubby-hole:
in these two articles Peter Waymark recommends
careful paperwork before the trip, a few mechanical
precautions and some useful roadside reading

How to get out of having to get under

Given the difficulties of language, the metric system and having to drive on the other side of the road, most Britons who take their cars on the Continent cope surprisingly well and the crises that do occur can largely be averted by careful planning.

Have the car thoroughly checked and serviced before leaving. Many garages offer a special holiday service and this can save the embarrassment of being stranded in the middle of a foreign land with a broken fan belt or radiator hose. Tyres, including the spare, should be examined for wear—bald tyres, apart from being dangerous, are just as much an offence abroad as they are here—and pressures adjusted for the load being carried. Make sure that luggage is properly secured and neatly packed. Badly arranged roof luggage can slow the car and increase fuel consumption, making the vehicle vulnerable to strong cross winds. Use the roof as far as possible for the lighter, flatter items, putting the largest at the bottom, and cover everything with a sheet of canvas or leathercloth.

Headlamp beams have to be adjusted for driving on the Continent: in most European countries it is an offence to have the lights dipping to the left. In many cases the motorist can make the conversion himself, with either adhesive masking tape or clip-on adaptors. But if in doubt consult a garage or the light manufacturer. France, by the way, no longer requires yellow headlights.

Spare parts can be expensive abroad and difficult to obtain and it is sensible to take a selection with you. Garages and the motoring organizations offer kits of the commonly used spares for hire and to these it might be added extra headlamp bulbs (a legal requirement in some countries) and an emergency windscreen.

An essential when driving abroad is a red warning triangle. Most continental countries demand that it should be set up on the road if the car is immobilized through an accident or breakdown. A first aid kit is

also desirable: in Austria it is obligatory. The GB nationality plate must be displayed on the back of the car (and on a caravan or trailer) and failure to do so may result in a fine.

While hoping it will not happen, every motorist must consider the possibility that he may need emergency breakdown assistance, even to the point of having his car taken back to Britain. He may also incur medical expenses for treatment of illness or injury and could have luggage or money stolen.

To meet these unfortunate circumstances, the motoring organizations offer comprehensive foreign touring services. The AA Star scheme, which covers a car and four people for a month for about £40, even provides hotel expenses if the motorist returns home to find his home occupied by squatters. The RAC's Cordon Bleu is basically a local repairs and recovery service which can be supplemented by medical, personal effects and legal aid insurance.

Essential documents are the driving licence and vehicle registration form. Some countries, including Spain and those in the Eastern block, require an international driving permit

which can be obtained from the motoring organizations on production of the British driving licence and a passport-size photograph. Families intending to visit Austria and Switzerland should note that the minimum age for driving a car is 18 (compared with 17 in Britain), while France and Portugal require drivers in the first year after passing their test to restrict their speed to 90km an hour (56mph) and to carry a "90" disc on the vehicle.

On insurance, the basic rule is to ensure adequate coverage for all countries to be visited and the insurance company or broker will advise on this. The international motor insurance certificate—better known as the green card—is no longer a legal requirement in the European Community but it does secure fuller cover. It is still essential in most countries outside the Community.

For Spain insurance should be extended to include a bail bond. In the event of an accident, the Spanish authorities may impound the car and detain the driver pending trial and the bond is a guarantee that a cash deposit (usually up to £1,500) will be paid to the court as security for bail.

Bonds are issued by motor insurers and should be attached to the green card. A motorist intending to take a minibus on the Continent should be warned that European Community law regards a vehicle with 10 or more seats as a commercial vehicle. This means that the driver must be over 21, have had at least a year's driving experience and keep a log of driving hours on a tachograph fitted to the vehicle (and the number of hours he may drive is limited by law). The tachograph provision is not widely known and there have been several cases of British minibuses being turned back from continental ports. Advice on this should be obtained from the Department of Transport.

Most things, notably petrol, cost the motorist more on the Continent, though the steep price rises in Britain over the past 12 months have narrowed the gap a little. So there is a good case for a fairly full tank before leaving Britain—not too full or the petrol could overflow during a bumpy crossing—and a lockable filler cap to prevent theft. Several countries in Eastern Europe offer petrol price concessions through coupons which can be bought at frontiers or, in some cases, from the relevant tourist offices in Britain. Italy, at times of writing, has withdrawn coupons.

The final, but not the least, preparation concerns route planning. The motorist should equip himself with good—and up-to-date—motoring maps for the areas he will visit, as well as plans of the main towns. One of the advantages of driving on the Continent is the extensive motorway network, which means that surprisingly big distances can be covered comfortably in a day's driving. But motorways in France and Italy carry toll charges and these can mount up over a long journey.

Allow plenty of time for leaving and entering continental ports. The heavy build-up of traffic during the holiday season means delays and it seems that these ports reserve the peak periods for carrying out road works. It is estimated that some 80 per cent of accidents involving British cars abroad happen within 50 miles of the Channel coast and they are largely attributed to motorists hurrying to make up lost time.

If you make a bad choice in the middle of a holiday the damage is repairable. You can move on next day. But the first night starts a holiday well, or over-shadows it with gloom, and the last night sets the seal on success or mar's the whole. So it pays not well to research your ultimate destination and chosen holiday area, but also to know something about the Channel ports and their immediate hinterland, where motorists, who do not believe in an uninterrupted chase to the sun or a last-minute dash for the ferry can start and finish their holidays in proper style.

First some personal recommendations for those who use hotels in or around the ports:

In Calais the Meurice and Sauvage are the best of the town's hotels, but those going to the motorway by the St-Omer road might well prefer to press on the extra 17 kilometres to Arras where the Grand Hotel Clément adds good cuisine to comfort.

In Boulogne the Marmin et Liégeois are the best of the town's hotels, but those with money to spare the restful Manoir or seafront Côte d'Opale in Le Touquet or the Atlantic in Wimereux are recommended.

Dunkirk has four comfortable but standardized modern hotels. In Dieppe the Univers is a personal favourite among the selection along the seaford, a haven of period charm. The Windsor can also be recommended, and for those who would rather be just outside the town, there is the quiet La Terrasse in the chimes at Varengeville.

In Le Havre I have usually preferred night crossings to and from the port, but the city's best hotel is the Grand Hotel de Bordeaux, while the comparatively inexpensive Monaco in rue de Paris is

both comfortable and convenient to the ferry terminal. In Cherbourg there is a reliable Sofitel right by the ferry terminal, but my own favourite is the Louvre in rue H. Dunant. There are beautiful alternatives on the nearby coast, Les Isles at Barneville-Plage, 20 miles south-west, or the France at Fuchians at St-Vaast-la-Hougue a similar distance east.

In St-Malo the Central has a fine restaurant and considerable comfort, but there are less expensive options along the Parame seaford. In Roscoff the Brittany and Gulf Stream are grand and peaceful, the Triton, Angletorre and Centre Chez Janie the best of the cheaper alternatives.

All the French Channel ports have camping sites to offer the motorist who wants to rest his caravan while immediately before or after the ferry crossing. Indeed when planning long car tours through France always remember a family of friends who insist that the cheapest and most relaxing continental car holiday they ever had involved taking a sleeping van, two tents and a party of five by Rover, lloyd from Ramsgate and never venturing farther than the beach at Calais.

Dieppe has one camping ground (du Pollet) right by the harbour entrance, so the Sealink boats pass close by the caravan windows. There is an alternative on the cliffs towards Pourville. In Dunkirk (Malo-les-Bains) the camping is set amid the dunes, and Boulogne has four sites along the coast. In Roscoff one of the two two-star sites is set in the grounds of a fifteenth-century manor, while St-Malo with seven sites offers the greatest number of camping places.

Yet surprisingly perhaps the campers' greatest delight is likely to be the site in the big city of Le Havre, admirably situated in the Forest

of Montgouin park and beautifully equipped. Le Havre is admirably served for restaurants too. There can be few experiences more satisfying than watching other people's ferry boats come and go beneath the cliffs of Ste-Adresse while one stretches one's legs comfortably in the blue and mirrored elegance of the Nice-Havrais, preferably after *suprême de bar* and *crêpes flambees*. A similarly splendid view and good food at slightly less cost can also be had at Yves Page just down the road.

In Boulogne the best eating places are also very French, but comparatively inexpensive. The first thing the tourist meets crossing to the town from the ferry terminal is the Hamiot snack bar at the bottom of rue Faidherbe. There is a carefree and convivial atmosphere you can have excellent fish soup, mussels, pigs' trotters and all manner of less costly French specialties. An even greater delight is the tiny pink restaurant, La Charlotte, at 11 rue du Doyen. A deliciously refined four courses cost only 38 francs at lunchtime.

Even cheaper, satisfactory restaurants are available in Dieppe. The best is Le Sully on Quai Henri IV, right beside the Sealink terminal. The danger is that its 24 franc menu may spoil you for the rest of your stay in France. The country does not offer so many places that can equal it for value. Yet the hinterland to Dieppe shelters another real gem—Le Prieuré de Bailly-Boc at St-Ouen-sous-Bailly, off the Envermeu to Blangy road. There the five course set meal at 42 francs is as perfect as you will find anywhere in France.

St-Malo, which is not a port one should leave without exploring thoroughly, has a wealth of good restaurants, among them the Auberge de l'Hermine, the Duchesse Anne and the

inexpensive Chee Gilles. The preeminent one is to the south through the suburb of St-Servan—the Métairie du Beau Regard, where M. Gonthier prepares a rich and elaborate cuisine in classic French style.

Cherbourg offers good value at Le Vauban or the tiny little Toque Blanche. L'Aiguade, where a bustling woman called Giselle works single-handed wonders as receptionist, waitress and *robousseuse*, is strictly for carnivores, specializing in large lumps of tender meat grilled in front of wood fires. In Roscoff my family have eaten well, and cheaply, at Chez Janie.

If you do not stop for a meal, it may well be that you will want to buy food, either for the road or to take home, to savour your holiday for that week or so longer with souvenir delicacies.

No port is better served for shops than Boulogne. It has two hypermarkets, one with ample car parking (Champion at the Centre Commercial de la Liane) which is within walking distance of both the port and the town centre. It is also blessed with one of the five best cheese shops in France—Philippe Olivier at 43-45 rue Thiers. I never pass Boulogne without getting at least his Camembert, his Point l'Évêque and if possible his ultra-creamy 22 franc specialty, the St Philippe.

Boulogne also boasts one of the top 10 cake shops, André Lugand at 9 Grande Rue. Anyone who leaves without cakes from Lugand is not making the most of a French holiday. Add to these that Lugand's near neighbour is an excellent charcuterie. Derrien, who can provide hot or cold delicacies for picnics, and you will understand why I drive through Boulogne even when sailing by way of Calais.

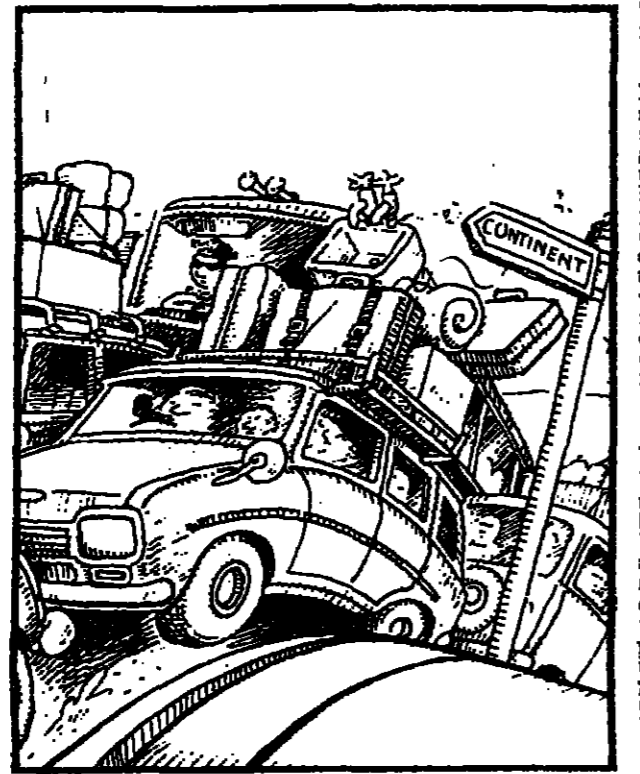
Le Havre is Boulogne's closest rival (cakes and sweets from Houle, 185 rue de Paris, cheese from chérisse in the central market hall, and *charcuterie* and *plats préparés* from the superb shop of M. Lefèvre at 127 rue Victor Hugo, all within easy reach of ample parking on Place Gambetta). Dieppe runs close third, with cheese from Olivier père (the Boulogne market that Jacques, *charcuterie* from Euriel at 23 Grande Rue, and cakes and sweets from Ratel or Delahaye both in Grande Rue also. Perhaps Dieppe should be promoted to equal second because it has bakers and a Saturday market that excel even those that Boulogne and Le Havre can offer.

The most convenient hypermarkets for last-minute shopping on the way out are Champion (Boulogne) and Continent (Cherbourg), the biggest and best are those of the Auchan chain (in Le Havre, through the Jenner tunnel toward Montgouin and bear left into rue du Bois au Coq, and outside Boulogne, off the St-Omer road).

Besides a full allowance of wine (the biggest saving is to be made by buying the maximum permissible amount of special offer table wine at under four francs a bottle rather than by patronizing the duty-free shops), there are numerous other purchases a motorist might bring home to help to offset the cost of his holiday. Beers for example, offer considerable savings.

Other best buys are kitchenware, glasses, cookery utensils, camping equipment and leisure furniture, frozen or fresh seafood (to be kept cold in freezer bags), some cosmetic and toiletry ranges, children's clothes, women's fashions and French porcelain.

Robin Young
Consumer
Affairs Correspondent



A clear map can smooth the journey

A clear map and a reliable itinerary—doing the most in the most comfort. When choosing maps there are two things to look for—they must be easy to read and they must be up to date. Clarity is to some extent in the eye of the beholder but the aim of every motoring map must be to provide a certain sort of information as simply as possible. It should be nearer a diagram than an Ordnance survey.

Maps need frequent revision to keep abreast of new routes. An extra piece of motorway here or a new river crossing there can knock minutes, if not hours, off a journey. By the same token, town plans must always endeavour to carry the latest on one-way systems and traffic-free zones. A map published even two years ago may by now be almost useless.

This means that paper maps, which for obvious economic reasons can be brought up to date more often, are usually a better proposition than a hard-backed atlas. They are also cheaper and more convenient to handle, since they can be folded as required and cover a larger area at a time than the pages of a book. Less durable they may be but since they will probably have to be replaced before long, that hardly matters.

The motoring maps published by the Michelin tyre company have long been regarded as among the best on offer and they certainly meet both the basic tests, scoring highly on clarity and accuracy. Four 16 miles to the inch maps cover western Europe, and selected areas—notably the regions of France—are treated on a much larger scale.

George Philip, which designs excellent motoring maps of Britain for the Royal Automobile Club, has two series of continental touring maps. The 16in series, which blue covers, concentrates on Western Europe, while the 12in set in red covers extends to southern Scandinavia, Greece and Yugoslavia.

The Automobile Association has a new series of European tourist maps for 1980, 16 miles to the inch and using the "concertina" folding system for easy handling. The AA also publishes books of town plans and planning maps which give through routes across Europe from the main Channel ports.

It must be emphasized that despite the best efforts of publishers, maps are always in danger of being superseded by the opening of new routes or changes to existing ones. For the latest information it is sensible to contact either the motoring organizations or the tourist offices in Britain (if the countries concerned).

Moving from maps to guides, a handy source of hard information about driving abroad is the Automobile Association's *Motoring in Western Europe*. This chunky paperback gives details of some 9,000 approved and classified hotels and garages, arranged by country, as well as advice about insurance, banking, hours, medical treatment, drink driving laws and many other topics.

It can be supplemented by the AA pamphlets on Scandinavia, South-east Europe (Yugoslavia, Hungary, Romania, Bulgaria,

Greece and Turkey) and North-east Europe (East Germany, Czechoslovakia, and the Soviet Union). A special booklet on the Soviet Union is being prepared for those intending to drive to the Moscow Olympics. Other AA publications are *Camping and Caravaning in Europe*, which lists 3,000 camp sites in 15 countries, and *Guesthouses, Farmhouses and Inns in Europe*, with the emphasis on reasonable accommodation at low cost.

The RAC's *Continental Handbook* covers 18 European countries, with lists of appointed hotels and garages, a 48-page section of town plans and a pull-out chart of international road signs. The RAC also offers a *Motorists' Concise Guide to Continental Travel*, which packs a lot of information, from voltages to toll roads, in fewer than 100 pages, and *Driving Abroad*, an amusingly personal view by George Bishop.

Michelin publishes two types of guide book and both can be recommended. The red guide deals with hotels and restaurants, which are individually rated. Though Michelin's assessments are sometimes controversial, the British motorist abroad can hardly do better for gastronomic guidance. The other Michelin's are the green tourist guides, compact, readable, and pleasingly laid out. There is a book for each country of Western Europe, except France, which is split into regions.

Although not specifically intended for motorists, the Anglo-American *Podar* guides will fit happily into any glove box. They combine information of a purely practical kind (restaurants, places of interest, and so on) with often perceptive essays on history, culture and national character. Attractively illustrated, the guides are brought up to date every year and they cover most European countries.

Were there a competition for cramming the greatest amount of information into the tightest possible space it would undoubtedly be won by the Blue Guides, which are encyclopaedic in their descriptions of towns, villages and buildings. Areas covered on the Continent include Northern Italy, the Rome area, Spain, Greece and the Adriatic coast of Yugoslavia.

It can be supplemented by the AA pamphlets on Scandinavia, South-east Europe (Yugoslavia, Hungary, Romania, Bulgaria,

It can be supplemented by the AA pamphlets on Scandinavia, South-east Europe (Yugoslavia, Hungary, Romania, Bulgaria,

FERRY EAST.



France in little more than half an hour.
Seaspeed is the fastest way across the Channel.

Whether you go to Calais or Boulogne, it takes little more than half an hour.

Just drive or take the train to Dover. The new International Hoverport at Dover West is smart and comfortable. It has two bars, a self-service restaurant, a snack bar and duty-free and tax-free shops. Trouble is, you're on your way so fast you hardly have time to enjoy it.

You'll find Seaspeeding is exciting and relaxing, too.

You skim across the Channel at a cool 60 m.p.h. on one of the largest hovercraft in the world. And you relax in aircraft-style luxury, with Seaspeed's purserettes tending to your needs.

Up to 18 flights.
Seaspeed is one of the most frequent Channel ferries, with up to 18 crossings daily in the peak months.

Because as more of you travel abroad, more of you want to travel with Seaspeed.

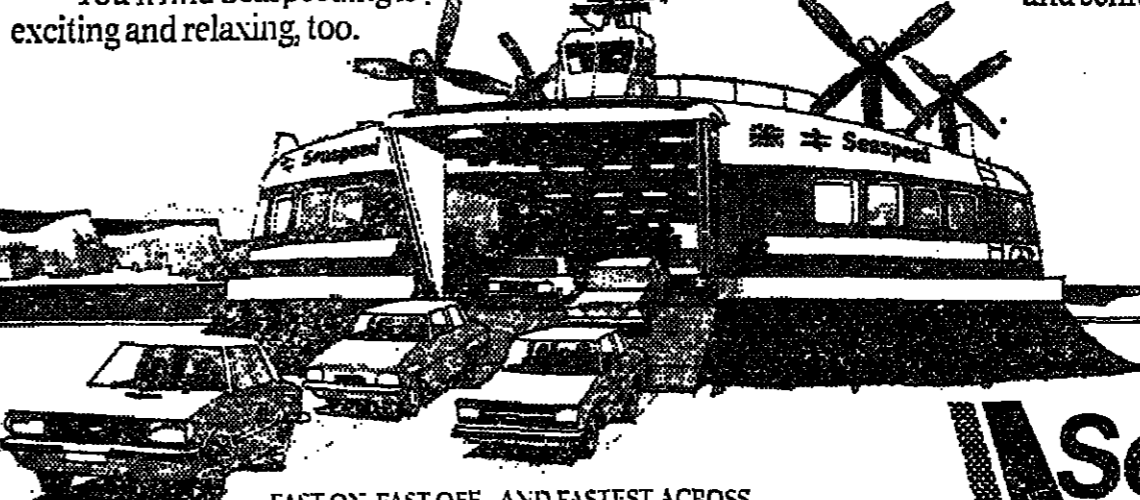
So whenever you want to go, you can be sure there'll be convenient Seaspeed flights to speed you on your way.

Cheaper than you think.

With or without your car, Seaspeed fares are little different from other, slower Cross-Channel ferries.

This year, there's no extra charge for summer peak weekends. Special excursion rates and discounts are available, including reductions for students and senior citizens.

**BOOK NOW
SAVE 10**
on your car (any length)
for Summer Season crossings
6/6-27/4. Offer closes 29/2/80



FAST ON, FAST OFF - AND FASTEST ACROSS.

For information and bookings ask your Seaspeed Travel Agent, the AA or RAC, or any principal Rail Station or Travel Centre, or ring Seaspeed on 01-606 3681. Dover (0504) 208288, Birmingham (021) 236 0701 or Manchester (061) 228 2041.

Seaspeed
HOVERCRAFT
Hover over from Dover.

The anniversaries of 1980



Lytton Strachey, Sir Jacob Epstein, Elizabeth Fry, General Douglas MacArthur and Grock

From the first day of Lucrezia Borgia to the last of Colonel Blood

- JANUARY**
- 3 Michael Thomas Sadler, social reformer and economist, born 1780
- 5 Nikolay Karlovich Medtner, Russian composer, born 1880
- 10 Manuel Azanza, President of the Spanish Republic (1936-39), born 1880
- 26 Douglas MacArthur, General of the United States army, born 1880
- 29 John Freeman, poet and critic, born 1880
- FEBRUARY**
- 3 Felix Fourdrain, French composer, born 1880
- 6 Arthur Greenwood, politician, born 1880
- 14 Sir William Blackstone, legal writer and judge, died 1780
- 17 Alvaro Obregón, President of Mexico (1920-24), born 1880
- 23 Isaac Foot, politician, born 1880
- MARCH**
- 1 Giles Lytton Strachey, writer, born 1880
- 2 Ivar Kreuger, Swedish creator of international match trust, born 1880
- 10 Frances Trollope, novelist, born 1780
- 12 William Clowes, co-founder Primitive Methodism, born 1780
- 17 Marcus Aurelius, Roman emperor (161-80), died 180
- 18 François Duc de la Rochefoucauld, French writer, died 1680
- Thomas Chalmers, Scottish theologian and philanthropist, born 1780
- Laurence Edward Grace Oates, Antarctic explorer, born 1880
- 20 Emanuele d'Astorga, Italian composer, born 1880
- 21 Hans Hofmann, American painter, born 1880
- APRIL**
- 17 Sir Leonard Woolley, archaeologist, born 1880
- 18 Lucrezia Borgia, Italian noblewoman, daughter of Pope Alexander VI, and legendary poisoner, born 1480
- 25 Michel Fokine, choreographer, born 1880
- 29 Saint Catherine of Siena, died 1380
- MAY**
- 3 Thomas Tusser, agricultural writer and poet, died 1580
- 5 Otto Dibelius, German Protestant bishop, born 1880
- 8 Gustave Flaubert, French novelist, died 1880
- 21 Elizabeth Fry, prison reformer, born 1780
- 22 Sir Ernest Oppenheimer, South African financier, born 1880
- 29 Oswald Spengler, German philosopher, born 1880
- 30 James Robinson Planché, dramatist, died 1880
- JUNE**
- 1 Karl von Clausewitz, Prussian general and military theorist, born 1780
- 2 The Gordon riots began in London; during the ensuing week, 280 people were killed, 1780
- Sir Ernest Gowers, civil servant, and author of *Plain Words*, born 1880
- 3 Henry Hall, Covenanter, died 1680
- William Hone, writer and bookseller, born 1780
- 6 William Thomas Cosgrave, President of the Irish Free State (1922-32), born 1880
- 7 John Broughman, actor and dramatist, died 1880
- JULY**
- Robert Raikes opened his first Sunday school, 1780
- 6 Pierce Egan, the younger, novelist, died 1880
- 10 Humphrey Chetham, founder of the hospital and library bearing his name, baptized 1580
- 12 Tom Taylor, dramatist and editor of *Punch*, died 1880
- 24 Ernest Bloch, Swiss composer, born 1880
- 26 John Wilmot, Earl of Rochester, courtier and poet, died 1680
- AUGUST**
- 7 Abraham Colfe, divine and founder of school bearing his name, born 1580
- 13 Mary Reid Anderson, women's labour organizer, born 1880
- 19 Andrea Palladio, Italian architect, died 1580
- 24 John Taylor (the "Water Poet"), born 1580
- Thomas (Colonel) Blood, adventurer, died 1680
- 26 Guillaume Apollinaire, French poet, born 1880
- 29 Jean-Auguste-Dominique Ingres, French painter, born 1780
- SEPTEMBER**
- 2 Hugh Richard Lawrie (Dick) Sheppard, vicar of St Martin-in-the-Fields, advocate of pacifism, born 1880
- 3 William Henry (Will) Dyson, cartoonist and etcher, born 1880
- 9 Henry Marten, a signatory of Charles I's death warrant, died 1680
- 12 Henry Louis Mencken, American writer, born 1880
- 16 Alfred Noyes, poet, born 1880
- 17 Francisco Gómez de Quevedo y Villegas, Spanish poet, born 1580
- 20 Ildebrando Pizzetti, Italian composer, born 1880
- 22 Dame Christabel Pankhurst, co-founder of the Women's Social and Political Union, born 1880
- 25 Samuel Butler, satirist, died 1680
- 26 Francis Drake landed at Plymouth, having spent three years circumnavigating the world, 1580
- OCTOBER**
- 5 Jacques Offenbach, French composer, died 1880
- 10 Marie Stopes, botanist and advocate of birth control, born 1880
- 23 *The Trumpet-Major* by Thomas Hardy, published 1880
- 25 John of Salisbury, Bishop of Chartres, died 1180
- NOVEMBER**
- 10 Sir Jacob Epstein, sculptor, born 1880
- 17 Saint Hilda, founder of Whitby monastery, Yorkshire, died 680
- 20 Sir Alexander James Edmund Cockburn, Lord Chief Justice, died 1880
- 22 Konradin Kreutzer, German conductor and composer, born 1780
- 25 Leonard Woolf, writer and publisher, born 1880
- 26 *Endymion* by Benjamin Disraeli, published 1880
- 30 Richard Henry Tawney, economist, born 1880
- DECEMBER**
- 7 Sir Peter Lely, painter, died 1680
- 20 John Wilson Croker, politician and essayist, born 1780
- 22 George Eliot (Mary Ann Evans), novelist, died 1880
- 31 George C. Marshall, General of the US Army and statesman, born 1880

Jack Lonsdale

A package deal could still be hammered out...

Will Iran's hostages be expelled?

The Iranians agree that the hostages are not the culprits, and there is no question of the death penalty

How far does the Iranian revolution provide a model for a new Islamic order throughout the Muslim world? Perhaps no one is more interested in this question than Sayyid Sadiq al Mahdi, the Sudanese Muslim leader, who for years has been campaigning for such an order, a system that would "marry the principles and values of Islam to democracy and a modern state".

Sayyid Sadiq has just returned from a visit to Iran, which he undertook with a threefold purpose: to canvass the idea of an Arab-Iranian agreement, to seek clarifications about the new Iranian constitution, and to take up the issue of the American hostages.

At first reluctant to involve himself in this last point, he was persuaded by the Secretary-General of the United Nations Educational, Scientific and Cultural Organization, Dr Amadou Mahtar Mbow, that he might be able to contribute to a solution to the crisis, as someone who is widely respected in both the Muslim and western worlds.

While in Iran he met Ayatollah Khomeini (whom he had already got to know in exile before the revolution), Ayatollah Shariat-Madari, and senior members of both the Government and the Revolutionary Council. He has come back convinced that "a package deal" leading to the satisfaction of the legitimate demands of the Iranian people.

He would favour the latter solution, because he believes it might open the way to a better relationship between Iran and the United States. But, he says, "the Iranians agree that those persons are not the culprits", and he was definitely told that there was no question of the death penalty being applied to them.

He found, he says, "a clear tendency to respond positively to the idea of regarding the whole matter in a wider context, rather than the limited context of the person of the hostages". He feels that "the way it has been discussed simply in terms of law is

inadequate, because there is also an issue of justice involved. "On law, Iran is isolated, but on the issue of justice—the fact that the Shah was a very ugly despot, that he expropriated a lot of the wealth of the country, that the United States, through various agencies had helped him and cooperated with him and therefore was in a way imperialist relationship with him—those aspects do call for a kind of rectification as far as Iran is concerned".

The Security Council resolution, he argues, is not helpful because it is "one-sided": "It skipped that of justice". What is required, in his view, is a package "in which the justifiable grievances of Iran will be answered".

On the American side this would involve three things: First, "a kind of action or statement that investigates the Shah's role and condemns him as a despot"; secondly, a process to "repatriate" the Shah's funds, so that he should not seem to have got away with his ill-gotten gains; and thirdly an investigation of past American involvement in Iran's internal affairs.

By making a clean breast of its past role, he believes, America could open the way to a "new chastened relationship".

These ideas, he says, were welcomed by his Iranian interlocutors. Even Khomeini himself and other reputed hard-liners promised to study them. "There is a clear veering away from the personal issue of the physical return of the Shah."

I asked Sayyid Sadiq whether he shared the disillusionment with the general character of the Iranian revolution which many Arabs and Muslims have expressed. He replied that he still felt it had a number of lasting achievements to its credit. It had knocked out a despotic regime. It had got rid of what he calls "the alienation of ideology, politics and wealth". And it had brought government to "a populist level, where the example of leadership is one of austerity, frugality and simplicity". In all these respects it had given "an example which cannot be taken away". But "what is very serious and has made me ponder is the question of the constitution. I thought Iran would institutionalize policies in such a way as to marry the principles and values of Islam to democracy and a modern state. The first draft constitution provided the basis for that—a democratic regime bound by Islamic principles. The role of the religious leaders was to be one of guarding against religious deviation, through a sort of constitutional court containing five religious people confirmed in office by the elected representatives of the people, plus three judges from the people's courts and three professors from the universities: it would have been very wide-based."

But all this has now been changed in favour of the *Wilayat al-Faqih* (government by the expert in divine law). This concept is only acceptable in Shia Islam, and even within Shia Islam it is advocated by

Khomeini as his personal doctrine. It concentrates all powers in the hands of this *faqih*. It is going to lead to the supremacy of the clergy."

This point concerns Sayyid Sadiq very deeply, because he had hoped Iran would provide a kind of example of Islamic democracy. He was anxious to know why the draft constitution had been so drastically revised. Khomeini himself simply replied that the constitution had been studied and passed by the majority of the people, and therefore it had come to stay.

But others welcomed further observations on it, and showed a genuine interest in their experiment being regarded as a growth point for the rest of the Muslim world. I asked for a summary of the arguments which had been used to change the original text, and I was promised that I will get it in writing. But my first impression is that the change makes for a narrower appeal, and I don't expect this particular point to be acceptable outside Shia Islam.

In Sayyid Sadiq's view there can no longer be a *faqih* in the sense of one whose knowledge of the law gives him a general competence to govern. "We need an institutional form, combining those who have knowledge of the texts and those with other competences. Nor can we accept that any one of the four traditional schools of Islamic jurisprudence be specifically enshrined in the constitution (as the Jaafari school is in that of Iran)."

He believes that a new interpretation of the law is needed, drawing on all four schools for inspiration but taking account also of modern circumstances, and formulated by an elected legislative assembly. This approach is certainly radically different from Khomeini's, yet Sayyid Sadiq believes there is common ground between them.

"I agree with him that Islam should govern all aspects of government and society. He agrees with me that the people must ultimately elect since the constitution says that the *faqih* must have the support of the people, and the constitution itself was submitted to popular vote."

Edward Mortimer

Are we all Powellites now?

Mr Enoch Powell was eyed by the Government front bench as warily as usual when on October he rose in response to the Chancellor's announcement of the total abolition of exchange controls after ex-chancellor Healey had denounced it as "reckless and doctrinaire".

"Is the Chancellor aware," asked the ex-financial secretary, "that I envy him the opportunity and the privilege of announcing a step that will strengthen the economy of this country and help to restore our national pride and confidence in our currency?"

Quite caught off balance the Chancellor gasped "I am grateful... I am indeed grateful..."

Graatified astonishment arose from Mr Powell's hitherto critical scepticism of the new Government's policies—an attitude they put down to carping jealousy of his former party colleagues. For have not the essentials of Powellism been enthroned in place of Heathism in the Thatcher administration?

Indeed is not Powellism personified in Mr Biffen, now Chief Secretary, by one of the roughest Powellite critics of 1972-74? And have not Sir Geoffrey and Sir Keith been manifestly converted to Mr Powell's analysis of the cause and cure of inflation, the angry repudiation of which by Mr Heath and his Chancellor Barber they applauded in 1972-74.

Do they not all use Powellian phrases about money supply and not allowing public expenditure to outstrip the growth of GNP? Did they not brave the outcry over the "cuts" pre-

cisely to stop PSBR, the true fuel of inflationary finance identified by Mr Powell in unpopular speeches from 1966 onwards, from growing from £8,500m to £11,000m. Do they not repudiate a prices and incomes policy, decline to intervene in industrial disputes, slash subsidies, prune NEB, BNO and other state excessencies? On the rolling back of the public sector do not bits of old Powell speeches now trip from front bench lips?

And is not the Government fighting against that very plundering of our economy by the CAP which Mr Powell foretold as early as 1969—and waving his very proposition that the Eight depend more on us than we on them? To update King Edward VII, aren't we all Powellites nowadays?

Not in Mr Powell's opinion. His commendation of Sir Geoffrey Howe in October actually underlined his other wise critical judgment of a servative performance since May. As he sees it, that single totally right and radical decision ("individuals should be free to own or send their property where they will," he said in 1967 when advocating against official contempt, a floating pound) stands out from the succession of half-measures or pretences, like the June cut in PSBR which Mr Powell, revelling as nearly nugatory: "all done with mirrors." The Government sees the light, unlike Heath: but to see it and not act accordingly is to Powell no less a breach of faith.

But, surely they have changed direction; policy takes time to implement; what more can a reasonable politician want?

The answer is the usual uncomfortable Powell answer. When the PSBR was less inflationary than it now is, he said, "I take a lesson to be that we must either to lower state spending to the level of income from taxes or else to raise taxes enough to pay for virtually all the state expenditure deemed necessary."

Back in 1968, while being excommunicated at the party conference for extrapolating the growth in the coloured population and discussing its consequences, Mr Powell set out for a Morecambe audience a true anti-inflation, anti-socialist, pro-market-economy, 100 per cent Tory budget which, without cutting social services would roll back the public sector and balance at a level that would permit the reduction of income tax to 4s. 3d in the £ (23 per cent). Comparable victory today would not permit such a remission, but it would end the fuelling of inflation by deficit financing—the essence of economic Powellism.

That exercise is worth re-reading if one wonders why Mr Powell is not applauding the Labour victory today. The Labour view of the reactive and doctrinaire Tory government since the war. It is 21 years since Mr Powell resigned (with Lord Thorneycroft) from the Treasury over the principle of inflationary public expenditure, the ensuing inflation, the Powellian logic, leaves the right decisions proportionately harder, but still right.

In policies other than financial, Mr Powell sees ominous tendencies to renege on pledges

which caused him to say of Heath's government that the U-turn had become the norm. Britain is knee-deep in Rhodesia rather than using the Muzorewa alternative, and the cable. Nor does the cut in foreign florins exactly meet his complaint that "marrying out but staying there" was a process that would fuel the growth of the coloured population; earlier fierce denials that cities would become a third or a half coloured are now replaced by cries of "what does it matter?" in the Commons. In Ireland, promises to maintain the Union and grant elective local government are interpreted as a neo-Heathian constitutional initiative like those previously designed to please Dublin and Washington but which encouraged the IRA. And Conservative professions of liege loyalty to the EEC seem a curious first card to play in negotiations to reduce the £1,000m deficit to nil.

Mr Powell predicted that deficit if not its size, just as he predicted that the moment the Community had an elected parliament it would seek, via the budget, to control the executive and assert sovereignty over a superstate. Not all the chickens have come home to roost yet. But on this and the other issues of principle on which Mr Powell parted company with the Conservatives, he stands where he did in 1974. There is no real sign yet that the party is rejoining Powell.

Roy Lewis

Roy Lewis's book *Enoch Powell: Principle in Politics* was published by Cassell last year.

NEW YORK DIARY

The seventh day of a new decade is precisely the time when you feel that you will scream if you have to read just one more article looking back on the last ten years or forward to the next. Scream away, then. Everyone else has had his two cents' worth and it would be a superhuman act of forbearance to deny myself.

For me, the Seventies began much as they ended. I was in New York on behalf of *The Times*, but then as one of a two-man bureau, whereas now I am on my own. (Already we have had for our first broad generalization: the Seventies were a decade of belt-tightening.)

I had arrived here at the very end of 1969 and one of my first out-of-town assignments was on a project ambitious in conception, though a bit disappointing in its fulfilment. It was the time of anti-war protest on university campuses and I was sent to visit three of them, deep in the heart of middle America, to see whether the tumult had reached even into this traditionally conservative part of the country.

I found that it had, much to the distress of the taxpayers who helped finance these institutions of higher learning. In an Oklahoma newspaper, I

came across a headline above a leading article which succinctly summarized its message: "The first thing a kid should learn at college is to abide by the rules and ignore commies."

A student at the University of Iowa explained why he and his friends were not obeying those precepts: "Disobedience is not the way we have been taught to do things. But we scream and nobody responds, so the only way to get a response is to become violent."

The violence claimed six victims; four white students at Kent State University in Ohio and two black ones at Jackson State College in Mississippi. A student at the University of Nebraska told me how the Kent State killings had affected him and his fellows. "People thought: 'Here am I, just Joe Blow, a regular student, and these four kids who were shot were just Joe Blows, regular students. That was what brought it home to students here.'"

It was one of my first encounters with American students, to whom I have always enjoyed talking. They are welcoming and articulate, seldom at a loss for cogent answers. Re-reading my reports of that

mid-West trip, though, I am struck by how the students seemed readier to discuss the mechanics of their own protest and the intricacies of campus politics than the more difficult question of the rights and wrongs of the Vietnam war itself. That is why the articles ultimately failed to illuminate much, though they did provide early evidence for identifying the Seventies as a decade of narcissism.

Another story I covered at about the same time went to the heart of the Vietnam dilemma in a direct and painful way. It was the court martial of Lieutenant William Calley, accused and convicted of ordering the massacre of 22 civilians (earlier estimates had put the figure at more than 100) at the Vietnamese village of My Lai.

There was much sympathy for Lieutenant Calley as a victim of the circumstances of war and brutalizing effects. There was also revision that a nation proudly founded on humanitarian principles should find itself in a position where such atrocities were carried out in its name.

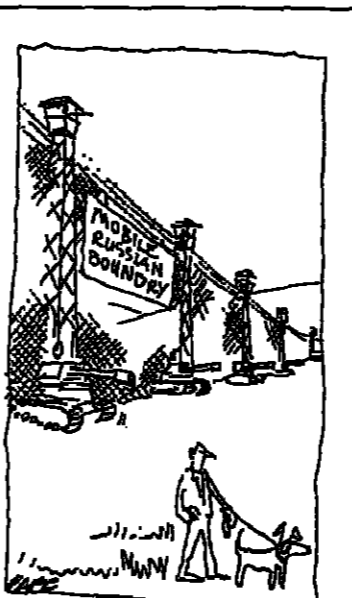
I suspect that it was this sentiment more than the campus protests which persuaded President Nixon and his advisers that

they had to extricate the United States from the Vietnam involvement at virtually any cost. The cost, in terms of lost lives and prestige, was tremendous and is still being paid.

Looking back, it is apparent that I tried to have it all ways in my attempt to find the root of what I called (and I am embarrassed to come across the phrase) "the present national sickness". In an article written not long after my return from the Midwest, I suggested that the root was not in Vietnam or on college campuses, but in the cases of corruption which were then and are still now being uncovered regularly in local and Federal government.

I suppose I could quite easily make the case that this observation was an incredibly clairvoyant forecast of the Watergate scandal, which provided the decade's most powerful political drama. I do not, however, claim credit for special prescience and I am not sure that I now agree with my 1970 view on the significance of corruption.

There are two opposing views on Watergate. One is that it symbolized the terrible decay of America's moral standards and the other that its exposure was a tribute to the strength



of the nation's democratic processes.

I tend towards the latter interpretation. Corruption exists everywhere, but the mechanism for uncovering it is much more effective in America than anywhere else—notably more so than in Britain, where it took

20 years for the Anthony Blunt affair to surface.

I believe that one of the important differences between America and Britain is in muck-raking journalism. The Americans have always prized their muck-rakers, and did so especially after the Watergate affair, while in Britain it is fashionable still to sniff disapprovingly at them as an evil, not even a necessary one.

(As a point of interest, because I know readers love this sort of thing, the use of the phrase "muck-raking" to describe investigative journalism was initiated by President Theodore Roosevelt in 1906. It is in fact a distortion of the episode of the man with the muck-rake in *Pilgrim's Progress*. Bunyan's muck-raker, who preferred to continue raking muck rather than regard the celestial light, was meant to represent the money-obsessed businessman—the very person who is often the target of the muck-raker in today's sense.)

Psychologists—and they were one of the growth professions of the Seventies—would say that my view that Watergate was a good thing makes me an optimist. As such, I am probably quite unqualified to review

the decade a task for which a hearty pessimism appears an important prerequisite.

I have not watched or read any summings-up of the seventies which has not concluded that they were the very worst of times. One of the many television reviews even suggested that they were worse than the Sixties, which saw the assassination of a President, of a civil rights leader, and of a cultural icon.

What is the view of the reviews, could be worse than the Seventies? The Eighties? Everyone's characterization of the forthcoming ten years as "the dangerous decade" has been seized upon with enthusiasm.

New York City tried, in its impatient way, to make that prediction come true in the decade's first 24 hours, when it managed to accumulate 12 murders—including one over an argument about which television channel to watch for the turn of the year festivities. This was more than twice the daily murder rate for 1979, which was itself a record.

Experts terrify us with their apocalyptic predictions about the appalling prospects for 10 years of famine, inflation, war, energy scarcity, violence, lawlessness

and a broad collapse of the social fabric. (Sorry, connoisseurs: the social structure will collapse, while the fabric will be torn or will disintegrate.)

All of that will certainly come about, but with any luck most of us will fail to notice. I prefer the more tangible predictions of Joe Fomolare, a man of whom you will not have heard but who enjoys some celebrity here as a maker of fashionable footwear.

Asked by a fashion writer what he thought would be the dominant theme of the Eighties, he replied: "Without a doubt, roller skates. I attach colourful, ball-bearing wheels to my patented run-there sneakers."

So we roll through the Eighties in our run-there sneakers (syn shoes), we shall try, as in the Seventies, to carve out a pleasant life for ourselves and for those we live and work with, by-passing the obstacles which will inevitably be thrown into our paths. Only in December, 1989, shall we discover, through the utterances of our sages, what a truly dreadful decade it will have been.

Michael Leapman

مكازم الأصيل



New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

AN HONEST MAN'S ANGER

The Republican candidates who have attacked Mr Carter's decision to veto a seventeen-million-ton grain delivery to the Soviet Union are not thereby strengthening their claim to presidential calibre. Had Mr Carter taken no action, in response to the Soviet invasion of Afghanistan, or contented himself with purely diplomatic moves, they would have been the first to condemn him. They do not dissent from his view that the invasion is a major breach of international law, which cannot be allowed to go unpunished. They should therefore applaud him for taking a step which is measured and non-violent, but unquestionably painful for the Soviet Union and likely to increase the problems faced by its leaders.

The obvious explanation of the criticisms is that Mr Carter's rivals hope to pick up votes from the Iowa farmers. But since Mr Carter has promised to buy in the undeveloped grain at market prices, the farmers should not suffer any direct loss, and in any case it is obviously the President's duty to put national security and world peace before the marginal economic interest of a particular group of voters.

American voters in general, if not those of Iowa in particular, are likely to give him credit for this. Perhaps a more plausible explanation of the line taken by Messrs Bush, Baker and Connally (and of Senator Kennedy's ill-judged remarks about the Shah last month) is simply that they feel an overwhelming need to criticize Mr Carter for some reason. The remarkable fact is that since the seizure of the American embassy in Tehran on November 4 his conduct of affairs has been very hard to fault. Even those who blame the existence

of the double crisis in Iran and Afghanistan partly on lack of effective American leadership over the past three years are constrained to admit that since the crisis started Mr Carter has shown hitherto unsuspected qualities. The starry-eyed idealist who took office in 1977 had long since given way to what looked like a weak and indecisive pragmatist, but he in turn has now emerged from the hard school of experience as a president with a realistic appraisal of his powers and responsibilities, ready to use the former and to discharge the latter. Much of the world must now be somewhat surprised to find itself greatly hoping for his re-election, so much more sure-footed in handling crisis does he look than any of his opponents. His anger has the strength of his honesty.

Certainly the early 1980s look increasingly unlikely to be a period in which the world can afford to have yet another inexperienced American president learning his job by trial and error. The dangers and difficulties faced by the occupant of the White House during the next few years are likely to be enormous. That is not, as some believe, because a desperately weakened West is now faced by an overwhelmingly strong Soviet Union rushing from success to success. The danger is rather that the Soviet leaders will seek to escape the consequences of weakness and failure through a series of increasingly risky adventures.

The Soviet economic system is weak. That can hardly be questioned. Soviet industrial output is less than that of Japan, and less than half of that of either Western Europe or the United States. Soviet citizens have to put up with a far lower standard of

living than their Western counterparts as well as an oppressive system of government, and many of them are well aware of this. The political system is therefore strong only in the sense of being effectively repressive, not in the sense of commanding the spontaneous loyalty of the people. Obedience can be assumed only so long as the repressive apparatus is seen to be firmly in control.

Spontaneous revolt at the centre seems unlikely. The danger comes from the fringes. A successful liberalization in Czechoslovakia might have generated uncontrollable pressures within Russia (or the Ukraine). Therefore it had to be stamped on. Similarly, a successful Muslim revolt against the Soviet-backed communist regime in Afghanistan might inspire a revival of Muslim nationalism within the Soviet Union itself. The risk, one must suppose, was too high to be taken. How much, then, can Moscow afford failure now that fifty thousand Soviet troops have been committed to the Afghan adventure?

Failure in the sense of actual expulsion from the country is perhaps unlikely. But failure in the sense of inability to end the fighting, of a need to commit an even larger proportion of Soviet military and economic resources to holding down an intractable and inhospitable country—that can easily be imagined. At that point the alternative to admitting failure may seem to be an extension of the front in neighbouring countries (which can easily be blamed for continued Afghan resistance) or the creation of a diversion elsewhere. Only very carefully judged Western responses may avert a chain reaction of disaster.

THE MODEST HOPES AT STORMONT

The Parliament Buildings at Stormont, Belfast, where Mr Humphrey Atkins meets Ulster politicians today, are not Lancaster House; and the high expectations which have come to be associated with the second do not surround the first. Mr Atkins opening his conference is not at all in the position of Lord Carrington when he opened his. There has been no Commonwealth meeting (in this case, more appropriately, no European meeting) to get an agreed line. The "front-line presidents"—Mr Charles Haughey and, if back-seat presidents were to be included, Mr Carter—have not been squared in advance. The Provisional IRA's commanders, unlike those of the Patriotic Front, have not been invited to graduate from the status of criminals, terrorists, guerrillas or freedom-fighters to that of trusted leaders of a faction. They will not be there.

Nor will the makings of a comprehensive settlement be there. Mr Atkins has set himself a much more modest ambition. As he puts it, the conference is a means of identifying the highest possible level of agreement on the transfer of responsibilities to locally elected representatives in the province—enough agreement, he hopes, for

the Government to be able to bestow on Ulster new provincial institutions of some kind to alleviate the directness of "direct rule".

In bringing three of the four invited parties under starter's orders Mr Atkins has already disclosed a diplomatic talent. The Catholic/nationalist SDLP would not attend if all discussion were to be barred of arrangements which might open a window on eventual Irish unity. Mr Paisley's Democratic Unionist Party, now trying out the role of goodlies, would not attend if the union were to be put in issue in any way whatever. Mr Atkins found a form of words to satisfy both, the obvious brittleness of which suggests that both parties are really quite keen to attend the conference, even if not to see it prosper.

The Unionist Party proper, still on the basis of the latest election results the largest of the Northern Ireland parties and the main political vehicle for unionism, maintains its disapproval of these proceedings. It will not be there, but as its contribution it has sent in a position paper repeating the scheme it evolved for the constitutional convention four years ago—a legislative assembly sustaining an executive which would be formed according to Westminster conventions—and

calling, if that is not available, for beefe-up local government. It can at least be said of that position that it fortifies Mr James Moynihan's claim to consistency.

The not very bright prospect of success for the Stormont conference, and the modest proportions of the success if it comes, raises the question, Why after ten years of civil strife in Ulster is not something more on Lancaster House lines being attempted? Sufficient answer lies in the contrast between Ulster and Rhodesia. Two conditions for the success of the Lancaster House conference were the internationalizing of the question and the acceptance into legitimate politics of the guerrilla leaders. Internationalizing the Ulster question would do nothing to relieve the stubborn cause of that conflict, which is divided allegiance among the present and historical inhabitants of the province, their contradictory political identification. It would be likely to have the opposite effect. And there is not the slightest evidence that the Provisional IRA possesses or is acquiring the level of popular support that would justify ceasing to treat its leaders as murderous subversives to be hunted and beginning to treat them as representatives with whom to parley.

were out, I remember Robson as editor saying, with rare passion, that he would never vote Labour again until Harold Wilson was no longer party leader.

The service of *The Political Quarterly* to politicians and political analysts is, and has always been, that almost alone in the United Kingdom, it fills the gap between the daily and weekly sources of news and comment, and the academic theses that may take years to write.

It has provided a longer perspective than any newspaper or weekly journal could allow, alike in terms of article length and in scope of historical reference; and it has always had a full range of specialists, not necessarily academic, who have felt comfortable within the covers of a sober journal to tell a political story from the inside. (The *Quarterly*, by the way, is produced at book size, and uses neither pictures nor typographical tricks.

The seriousness of the writers assumes, without question, the seriousness of the reader.) We may justifiably doubt whether there was ever a time when such an editorial approach to the study of politics could be reckoned more valuable. Working astonishes me more, when I compare my trade today with what it used to be, than the extent to which all the communicators live off each other.

Morning newspapers put an idea into the minds of desperate radio and television producers, and then morning newspapers reproduce what television and radio have said; and, for their part, academics writing these things bury themselves beneath mountains of newspaper cuttings and tape recordings of broadcasts. If Gladstone were alive today, he would never bother with a Midlothian campaign; he would simply ring up Robin Day on *The World at One* and ask for a 10-minute spot.

So corruption of the record pervasively creeps in. Television, no matter how seriously journalists the programme purports to be, has been made into a branch of "show business" (television's beloved phrase, not mine), and radio cannot even get a man into a studio to play records without calling it some pokenessy "show".

Michael Parkinson, one of the wisest off-the-cuff speakers, I know, and a consummate journalist, is employed by the BBC to lick the shoes of the latest actor or actress who wants to puff a book or a film.

Robin Day protests if you defend him from the charge that he is in "show business", although a more serious student of politics it would be hard to find. Russell Harry tells me, is a human being in his own right, in spite of the programmes he gets.

Television, with its fond belief that established names matter more than content, goes on to corrupt radio and newspapers. The dreadful fate of parliamentary sketch writers stands as a Fleet Street warning. Not long ago, Bill Buckley, a classical scholar from Glasgow University, after day after day filled page two of *Beaverbrook's Daily Express* with a brilliant account of a full day's parliamentary debate. Cleopatra Palmer, of the *News-Chronicle*, scarcely ever needed more than half a column to explain a budget or nationalize an industry. Harry Boardman, of *The Guardian*, brought urbanity and humour to bear on every line he wrote about a parliament he resented.

Today, most of their clever successors are in show business; they are more important as reporters than the events they report. They are encouraged to be everything except decent and open-minded. Their severe deadlines mean that if they are to paint the *Sistine Chapel* they must begin polishing their prose soon after Question Time; and so they turn Question Time into a daily situation comedy or soap opera, replete with a familiar cast of clowns and knaves (the radio experiment in broadcasting questions certainly helped readers to appreciate their undoubted wit and infinite superiority).

Nor would their highly subjective accounts of politics matter so much if their papers gave fuller parliamentary reports, where MPs might be heard in their own right, especially those who have no hankering to be part of the day's theatre. That is why Westminster's favourite political interviewer is now Jimmy Young, of all things a record player. Why? Mr Young lets ministers and MPs talk for themselves without being scored off any more than he would score off one of his rather revolting recaps.

That is why some of us, too, will pronounce a benediction this week on William Robson and *The Political Quarterly*, which was born as the Ramsay MacDonald government of 1929 tottered to its certain end, and now, well rooted in an even thinner soil, begins to address itself to the politics of the 1980s.

Assisted places scheme

From Mr Merlyn Rees, MP for Leeds South (Labour)
Sir, I have read with interest the correspondence on the assisted places scheme, culminating in the letter from the Headmaster of Clifton College (December 31).

It may well have been appropriate for Mr Andrews's grandparents to be educated at the expense of the lord of the manor. His father, like my father and I, attended the local grammar school; this type of secondary education was an important element in educational development in the early years of the twentieth century.

I am concerned with what is appropriate today. Where comprehensive education cannot generate the right academic atmosphere then the local authorities concerned need to look at their overall organization, and particularly the relevance of sixth form colleges, and in some instances, of colleges of further education.

I do not believe that independent schools could, or should, be forbidden by law. I see no use for them in the local authority context provided there is a properly organized and funded system of comprehensive education. It was for this reason that I supported Mr Rees's proposal when he began the implementation of Labour Party policy in ending the Direct Grant system, which was appropriate in its time.

As an MP representing an "inner city area" I find it incredible that Mr Andrews could see independent schools as even relevant to the problem of primary school children who "would be swamped at a poor neighbourhood comprehensive". We really do live in two England.

I agree with the Rector of Charlton who described the Assisted Places scheme as "immoral".

This scheme is to cost £58 million a year. There is a far better educational use for this money at this time than all times.

Yours sincerely,
MERLYN REES,
House of Commons.

Legal training grants

From Sir Frederick Lawton
Sir, How sad it is that Mr J. H. Stevenson (December 31) finds himself in practice as a barrister. With his appreciation of the relationship between time and earnings and his seeming lack of understanding of the legal profession, it is not surprising that he should have taken up either plumbing or dentistry.

A private income, a working wife, superb contacts or exceptional ability may help, but what really matters is there to be a barrister and nothing else.

I know, I had none of Mr Stevenson's suggested assets when I started at the Bar; but my twenty-five years in practice were the happiest in my life. I often wish I could live them over again, even though for the first four years I had to supplement my poor earnings by doing evening jobs.

I had, however, the advantage which the present day young men and women wanting to practise have not got. I had time to find in the large fees which Bar students now have to pay for the obligatory professional training course which has to be completed before call to the Bar.

Without a grant for this course many able students cannot hope to start practice.

Yours faithfully,
FREDERICK LAWTON,
Mordry,
Stoptide, Rock, Cornwall.

Threat to local democracy

From Mr P. B. Sidebottom and Mr Wyndham Thomas

Sir, We were saddened to read the comments of Sir Kenneth Thompson (leader of Merseyside County Council) (December 27) concerning Mr Michael Heseltine's proposal to set up a development corporation to promote the renewal of the run down inner areas of Merseyside. For more than ten years now the City Council, the County Council and the Development Corporation have worked successfully together in carrying through the rapid expansion and extensive renewal of Peterborough. Through it all, local democracy continues to flourish.

And the rights and responsibilities of councillors and electors are in no degree circumscribed or reduced. In fact, they seem to us to be enhanced by having so many more projects to discuss and to help bring to fruition.

Of course, the easiest relationship to have between public agencies is a bad and unproductive one. You don't have to work to get that. A good relationship needs the sharing of objectives and the will to co-operate—among chief officers as well as members—for the larger good.

Our authorities would be glad to welcome Sir Kenneth and his colleagues for a day's discussion of how we are together making a success of Peterborough's expansion and rebuilding. Neither could do it without the other.

Yours faithfully,
PETER B. SIDEBOTTOM,
Chief Executive,
Peterborough City Council,
WYNDHAM THOMAS,
General Manager,
Peterborough Development Corporation,
Town Hall,
Peterborough.

Commanding the clouds

From Mr Peter Stewart

Sir, How sad it is that the tin god syndrome appears to be spreading to the London Weather Centre. By what right do the meteorologists there "able to offer" me, today, "a better day than yesterday"?

By what means do they "take the whole of the country"? I suppose they have been infected by those British Airways pilots who tell me from the flight deck: "This is your Captain speaking", thus ignoring the fact that I have embarked for the flight, not enlisted for the duration.

Yours faithfully,
PETER STEWART,
3 Hendon Wood Lane,
Arley, NW7.

LETTERS TO THE EDITOR

The Soviet invasion of Afghanistan

From Professor R. A. Weale
Sir, Lord Carrington's view that the world must not allow the Soviets to forget their latest adventure deserves support. After their incursion into Czechoslovakia in 1968 the dust was allowed to settle with indecent haste.

At least one of the learned societies issued a blunt statement to the effect that the mind of Russia could be civilized only by the maintenance of scientific, artistic and cultural contacts.

Half a generation has since grown up, the experiment has failed. We cannot have cultural exchanges when there is no culture to exchange. By all means let the experiment be resumed—after the Russian Revolution.

Yours very truly,
R. A. WEALE,
The Athenaeum, Pall Mall, SW1,
January 3.

From Mr C. D. Bellamy
Sir, Concerning Russia's Palmerstonian adventure in Afghanistan, editors will make moral judgements, no doubt, but let us get history right. In the last few days we have been reminded of that cliché: "Russia is aiming for a warm-water port".

Every schoolboy has been told that, but we often do not tell our children the truth. We ought to consider the judgment of the clever men in the British War Office in 1907: "The frequently quoted desire of Russia to obtain access to the open sea and possess warm water ports is not stated here as a separate and definite object of Russian foreign policy, for there does not appear to be sufficient ground for so doing."

"Russia already possesses upon the Murman coast excellent ice-free harbours which she has never made any use of. Vladivostok is virtually ice-free, but has never turned it to any account."

"Russia no doubt desires to possess ice-free harbours, but only as accessories and stalking horses in her larger schemes of expansion." *Military Resources of the Russian Empire*, War Office, General Staff, 1907.

It might be added that Russia's quest in Afghanistan has never had anything to do with the sea. It is part of a desire to secure her rear, a policy ultimately concerned with defence and consolidation, related to Sir Halford MacKinder's "heartland" theory. Much trouble can be avoided by prompt action, executed with panache, in unstable areas close to home. Our own ancestors knew this; we, perhaps, have forgotten.

I remain yours faithfully,
C. D. BELLAMY,
150 Lambeth Road, SE1,
January 3.

From Mr J. D. C. Martin

Sir, The man in the Russian street has been told that his rulers have sent a "limited military contingent" to Afghanistan. None of us can guess what he believes or knows of the true facts, but boycotting the Olympics will impress him that his Government has done something deserving the wrath of other countries and no other one action can do this for the ordinary blinkered Russian.

For the world to attend the Olympics would afford the Kremlin enormous publicity and propaganda as it did for Hitler in 1936. To be denied this is part of the price they must pay for their invasion of Afghanistan.

Yours faithfully,
J. D. C. MARTIN,
1 West Bar,
Banbury,
Oxfordshire.

From Mr David Shriver
Sir, I was absolutely appalled on hearing that a boycott of the 1980

Olympic Games had been suggested as a retaliation against Russian involvement in Afghanistan.

Although it would greatly embarrass the Soviet authorities, a boycott would only serve to encourage other countries to express their political views by refusing to participate, and this would soon lead to a total abandonment of the Olympic Games.

Sport is one of the few unifying factors left on this globe. It must never be used to state a political or ideological point, but to further Man's awareness of his purpose and responsibility.

Yours sincerely,
DAVID SHRIVER,
Coolidge Road,
Tolkenstone,
Kent,
January 3.

From Mr Anthony Sumption
Sir, Afghanistan marks the point where my generation came in: Ethiopia—Albania—Austria—Czechoslovakia—World War II.

Where will the film end this time? Yours faithfully,
ANTHONY SUMPTION,
3 Verulam Buildings,
Gray's Inn, WC1,
January 6.

From Mr David Winnick, MP for Walsall (Labour)
Sir, Lord Harris was a little too quick, and cynical, in his letter (January 3) which alleged that there was a lack of concern by the British Left over the Russian action in Afghanistan.

As to be expected, the use of Soviet military force in Afghanistan and the clear violation of national sovereignty has rightly been condemned by those associated with the democratic Left; by now, presumably, the Government here have been able to read the current issue of *Tribune*.

What, however, if the intervention had been undertaken by, say, the United States authorities? Would the Government here have made their total condemnation known at once to the Ambassador and to the world? Would the Tory benches in Parliament be ringing out their disgust at the US military involvement (as they certainly did not over Vietnam); indeed, would we have even heard from Lord Harris himself?

There is one difference, of course, which socialists always bear in mind: if the United States or, for that matter, our country had undertaken similar action to that of the Soviet Union in Afghanistan, the internal domestic opposition would have been heard very loudly indeed, though no doubt with cries of disgust and even allegations of treason from the Right-wing.

Because of the total lack of political civil liberties within the Soviet Union, any such opposition, and I imagine there would be a certain amount to external military involvement and adventures, cannot make the weakness which can only do continued harm to the health and fabric of the society in Russia.

Yours etc,
DAVID WINNICK,
House of Commons.
From Mr Alastair Forbes
Sir, In Moscow for centuries French has been sometimes the first but always the second language of the Russian ruling classes, so when the Kremlin chose the *voeu*-word of the past decade, *détente*, it did so advisedly, knowing full well (unlike the silly occidental ostriches), that its principal meaning has never been anything but "trigger".

Yours faithfully,
ALASTAIR FORBES,
20 St Edmund's Terrace, NW8.

Future of the British motor industry

From Mr Bryan Forbes
Sir, Sir Michael Edwardes's letter (January 2) leads to a more chauvinistic attitude on the part of the British public towards the products manufactured by his company. His anguish is understandable, but his argument is specious.

He is in fact urging an isolationist policy limited to one particular product—surely he does not ask us to believe that he has never let Danish bacon pass his lips, or that he only drinks British wine, has never stooped to buy Japanese trousers, worn a foreign-made shirt or even, coming nearer to my own home, resolutely refused to look at an American film or television programme?

For nearly four decades we have been commanded to export or perish and have been off hazy days of British car exports were our pride and joy. I can remember when Sun-Set Boulevard was knee-deep in Jaguars; but no longer.

When the price of a car is more than the down payment on a house, one shops carefully, and, if increasingly we buy foreign, we buy because we look for modern design, safety, early delivery, a wide choice of colour and overall reliability.

I used to buy British cars; I had four successive Jaguars and various Minis, but my experiences grew progressively sadder and when the gear stick snapped off my last XK while I was attempting a change at high speed, I felt somebody up above was giving a hint. My last three cars have been of foreign manufacture and I have been well satisfied.

If we must export, so must other countries. The current price of a Jaguar XJS is £19,137 and delivery, touching every available piece of wood, is quoted as between 12-20 weeks on the home market. I don't own an "exotic" foreign car (to use Sir Michael's word); what I do own is a vehicle that was delivered to my exact specification on the date promised and has so far, after nearly three years' hard driving, only cost me a set of new tyres.

I certainly have no wish to add to the unemployment figures, but I employ people, too, and I work in places where public transport is seldom available at the unsocial

hours my profession demands. I need to know I can get there on time.

I don't think the British buying habits are exceptional. I think, in the current circumstances, they come under the heading of sensible. Yours faithfully,
BRYAN FORBES,
The Bookshop,
Virginia Water,
Surrey.

From Mr Peter Blood

Sir, While we must all admire Sir Michael Edwardes in his efforts with BL, he appears to be embarking upon a most dangerous policy, if he to give them some familiarity with the language before examinations. The exchanges are likely to be restricted to European families since it is largely European languages that are studied at school.

As pairs are older girls who come to live with a family for six months, a year or more, where the children are usually under ten years old, in order to help with the running of the household in return for learning the language (often attending formal classes) and getting to know the country and its culture. To quote from "An au pair in your home" (Home Office booklet D5 596982 Pro 11811 1/79) "... the au pair will return to her home with a last-... ing regard for this country and an understanding of its customs".

Yours faithfully,
ISOBEL DOUBLEDAY,
Lodge Cottage,
Goat Lodge Road,
Great Thorham,
Maldon,
Essex.

From Mr Derrick Seebom

Sir, When I got married in the early thirties, I was told that my wife was worth her weight in gold. She still is!

Yours faithfully,
DERICK SEEBOM,
Hale Cottage,
Bridgewater Road,
Widcombe,
Avon.

Problems at the keyboard

From Mr Christopher Hogwood

Sir, On looking into my diary of musical engagements for this new year, I discover some 35 days' ensemble work projected with my English colleagues, and some 25 days involving the cooperation of foreign performers with English. In other years I would have enjoyed this prospect, but following a recent reappraisal by the Musicians' Union, the first category is prevented from happening, since I am not a member.

On the other hand, were I, despite my conscience, to become a member, the second category would be forfeit. I find this difficult to explain to colleagues who will, either way round, be losing work. They, and I, feel that this is not the place for collectivist coercion.

On consulting my diary for the last few weeks of 1979, however, I note that while my union friends were suddenly banned from performing with me as a keyboard player (something which had presented no problems for the last 12 years), the members of the Royal Philharmonic Orchestra were not prevented from playing with the harpsichordist Antal Doráti and several dozen similar "exceptions" were also noted.

Since, conscience apart, this cannot be good for union integrity, music or patronage, I wonder whether your readers could suggest what my New Year resolution ought to be? Yours harmoniously,
CHRISTOPHER HOGWOOD,
The Academy of Ancient Music,
2 Hill Road,
Cambridge,
January 3.

Berkeley's coach

From Judge Alistair Bell

Sir, In your article, "Bishop Berkeley's coach" (January 2) you were over-generous in your use of the term "British". Since England and Scotland travel the same road, in the same state coach, you assume that they may safely be referred to as one nation.

It is not so: you confuse genus and species. And you were thus led into a series of errors which, in others, might be regarded as demonstrating superficiality of thought.

Scots scarcely need to say of the Scots that they are not much moved by economics, when a main cause of the devolution of *débacle* was their calculation that fiscal disadvantage might outweigh an increased ratio of sovereignty. You ought not to hint at this time of year that your colleague, that Shakespeare is in any sense a poet national to Scotland.

You cite the contribution to English literature of spiritual writers of the seventeenth century, without mentioning Samuel Rutherford.

You imply that the Scots join their English neighbours, if indeed it be true of them, in regarding lucidity as "superficial" and intellectual passion as "ill-mannered". One might be forgiven for describing your view as a *Shakespearean* extreme, if penitential did not appear the better word.

Perhaps Sir Harold Nicholson was right when he said in a broadcast in 1956: "The English, having been taught from their school days that character is more important than intelligence, are inclined to restrict their reflection to things that entail little effort in the mind and to escape from all disquieting thought."

Adam Smith, of whom you, Sir, have made some study, would not have demurred from Samuel Rutherford in saying: "Truth is an indivisible line which hath no latitude and cannot admit of splitting."

I am, Sir, yours, etc,
ALISTAIR BELL,
63 Whiteingham Lane,
Broughton,
Lancashire,
January 2.

Au pair girls

From Mrs Isobel Doubleday

Sir, I would have expected the Minister of State at the Home Office to be aware of the distinction between family exchanges and au pairs.

Families whose children are studying languages exchange their sons and daughters with other children of the same age in another country during the school holidays in order to give them some familiarity with the language before examinations. The exchanges are likely to be restricted to European families since it is largely European languages that are studied at school.

As pairs are older girls who come to live with a family for six months, a year or more, where the children are usually under ten years old, in order to help with the running of the household in return for learning the language (often attending formal classes) and getting to know the country and its culture. To quote from "An au pair in your home" (Home Office booklet D5 596982 Pro 11811 1/79) "... the au pair will return to her home with a last-... ing regard for this country and an understanding of its customs".

Yours faithfully,
ISOBEL DOUBLEDAY,
Lodge Cottage,
Goat Lodge Road,
Great Thorham,
Maldon,
Essex.

Gold standard

From Mr Derrick Seebom

Sir, When I got married in the early thirties, I was told that my wife was worth her weight in gold. She still is!

Yours faithfully,
DERICK SEEBOM,
Hale Cottage,
Bridgewater Road,
Widcombe,
Avon.

What has gone
wrong in
the apple
orchards?
page 17

THE TIMES

BUSINESS NEWS

Stock markets

FT Ind 413.9
Index 65.93

Sterling

£2.280
Index 70.3

Dollar

Index 84.4

Gold

\$390 an ounce

3-month money

Inter-bank 16 13/16 to
Euro \$ 14 9/16 to 14 11/16
Friday's close

IN BRIEF

North Sea oil price will depend on Nigeria

North Sea oil prices are set to rise by up to \$7 from the present \$26 to \$33 a barrel. Last night, energy officials were waiting for confirmation of the new price for Nigerian crude before the price of North Sea oil could be set. The price of North Sea oil is linked to that of Nigerian oil, which is being sold at a discount to the market. The price of North Sea oil is expected to rise to \$33 a barrel, which is a significant increase from the current price of \$26. This increase is due to the fact that Nigerian oil is being sold at a discount to the market, and the price of North Sea oil is linked to that of Nigerian oil.

£88,000 compensation

An £88,000 compensation payment for loss of office has been paid by Britain's largest meat producer and trader, Borthwick. Last September, Mr David Burdett, the managing director, who joined the group two years ago, resigned.

Companies news, page 18

Coalmining orders

Civil engineering contractors can expect to receive work from the coal industry worth about £400m a year between now and the end of the century, according to a survey published by the Civil Engineering Economic Development Committee. Open-pit coal mining is expected to account for about 25 per cent of the total. The remainder will come from deep-mining contracts.

Oil summit proposed

The Brandt Commission is to propose a world oil summit to discuss ways of ensuring that oil is available to all countries, and to ensure that oil is used efficiently. The summit is expected to be held in 1981, and will be attended by representatives from all major oil-producing and oil-consuming countries. The summit is expected to discuss ways of ensuring that oil is available to all countries, and to ensure that oil is used efficiently.

US gold medalion plan

The United States Bureau of the Mint, Treasury Department, is planning to begin production of gold medalions in March at West Point, New York, and will be ready to sell them to the public in June and July, according to Mrs Stella B. Bakel, the director of the mint. The United States will use one million ounces of gold for the project this year.

Reform urged

In a Bow Group pamphlet published last week, radical reform of building societies is urged by its authors Simon Mabey and Paul Tillett. They recommend that societies should become commercial companies and that their interest rate control and tax advantages should be abolished. They also recommend that societies should be subject to the same "considerable political difficulties" as other financial institutions, and that they should be subject to the same regulatory requirements as other financial institutions.

Gold up in Hongkong

Gold rose strongly on Hongkong market after President Carter announced his economic sanctions against the Soviet Union late on Friday. It peaked at \$630 an ounce, up from \$620 on Thursday, and \$40 higher than the Friday London close.

Airfreight rates alter

British Cargo Airlines, the Gatwick-based all-freight operator, is to review its rates on a week-by-week basis from today.

£4.4m contract

Costain Construction has won a £4.4m contract to build an extension for Barranquilla Investments at an office block in Piasbury Square, London.

Europe must not flinch from import controls, CBI report says

By David Blake
Economic Editor

In a sombre assessment of Britain's trade prospects in the 1980s, the Confederation of British Industry today calls for a much tougher stand against "unfair" practices both by other industrialized countries and by the developing world.

The CBI view, spelled out in a discussion document, calls on the EEC to be prepared to use selective import controls if European producers face severe disruption as a result of competition from the rest of the world.

The newly industrializing countries are seen as a particular threat to European industries, but the document specifically suggests that Europe ought to be prepared to use selective import controls against anyone in the world, including Japan.

The CBI takes a gloomy view of the competitiveness of British industry during the 1980s. It gives a warning that we are probably facing far slower growth in world markets than in recent years. At the same time, the strength of sterling because of North Sea oil will make goods uncompetitive, leading to a further decline in our share of world markets and increasing import penetration.

Faced with this gloomy picture, the CBI stresses the distinction between its belief in "free trade" within the EEC and "fair trade" with the rest of the world. In practice, the organization is worried both by the rising tide of imports and the severe problems which face British exporters. Because of competition from newly industrializing countries "all British manu-

facturers of consumer goods and other standard technological products will become vulnerable in the 1980s".

While rejecting the overt use of protectionism to save industry, the paper is clearly sympathetic towards much wider use of special protectionist measures. It lists three options for the problem of threatened industries in Britain. Either they can go to the wall; or there can be piecemeal use of EEC restrictions on imports; or there could be an industrial strategy based on "core industries" which we need to survive.

The paper says that adopting the last approach would have the advantage of having a policy which could be applied to individual sectors as soon as the need became apparent and not, as at present, after lengthy deliberation when the damage had been done.

The CBI is clearly particularly concerned about the impact of countries such as Korea and Brazil. It suggests that some way should be found to strip them of some of the advantages conferred on them by developing country status.

This cutting back of the privileges of these countries would be tied in to some measure of their success, such as living standards. It could either come about through the countries themselves being prepared to forgo the advantages or, more seriously, through the European and possibly other industrialized countries taking the privileges away from them.

What is particularly annoying to the CBI is that countries such as Korea and Taiwan have access to European markets, while European suppliers are kept out of these countries.

Ex-minister says Inmos agreed to back assisted areas

By Kenneth Owen
Technology Editor

Controversy over the decision by the National Enterprise Board's Inmos microelectronics subsidiary to locate its first factory in Bristol will be intensified when Parliament re-assembles next week.

Mr Alan Williams, MP for Swansea West who was Minister of State at the Department of Industry under the last Labour Government, intends to mobilize the regional groups of Labour MPs representing Scotland and north-east and north-west England to join him and his south Wales group in protesting at the choice.

There is a conflict between Mr Williams' account of Department of Industry negotiations with Inmos during his time as a government minister and that given by the company. Mr Williams insists that Inmos gave an undertaking to locate its first two factories in an assisted area or areas. Mr Iann Barron, executive director of Inmos, denied any such agreement.

Mr Williams said that, as



Mr Alan Williams: protesting at choice of site.



Mr Iann Barron: no pledge to back assisted areas.

Minister of State, he had refused three times to grant an industrial development certificate to Inmos for the company's technology centre to be located at Bristol.

This is the Inmos research and development unit in the United Kingdom, and Bristol

was confirmed as its location in December, 1978.

An industrial development certificate for the technology centre, Mr Williams said, was granted only when Inmos gave an undertaking that at least the first two of its production units would be located in assisted

areas. Four such areas was envisaged, each of which to employ about 1,000 people. An Inmos spokesman repeated at the weekend the declaration by Mr Iann Barron when announcing the choice of Bristol for the first production unit last month that no such pledge had been made by the company.

One sentence concerning Inmos in the National Enterprise Board's annual report for 1978 said: "The firm intention is that the United Kingdom production facilities will be located in assisted areas." This represented the view of the NEB and not of Inmos, said the company spokesman.

According to Mr Williams, the Inmos undertaking is documented in the records of the Department of Industry and its decision to grant an industrial development certificate for the Bristol technology centre on the basis of that undertaking was taken by collective government decision.

According to Inmos, more than 200 sites were evaluated in a survey by PA Management

Consultants before Bristol was chosen for the first production unit. Three areas emerged in the final short-list of five sites—the North-east, south Wales and the south-west.

Inmos had wanted a prestige site, the company spokesman said, not one "in the middle of a run-down industrial estate". It also made sense to have the research and development and production technologies close together because the company hoped the two groups would mix—"We need the transfer of knowledge both ways".

Thus Inmos plans to combine the production unit with its technology centre to create what it describes as "an integrated capability".

The Inmos plan to set up the Bristol factory is dependent on three main decisions for its realization. It will need an industrial development certificate; planning permission from the North Avon District Council; and approval from Sir Keith Joseph, Secretary of State for Industry, for the NEB-approved second £25m investment in Inmos.

Extra £750m in BSC borrowing proposed

By Peter Hill
Industrial Editor

Parliament will be asked to approve a £750m increase to £5,500m in the British Steel Corporation's borrowing limit early in the next financial year. But the capital raising, which is being sought by the trade unions and Sir Charles Villiers, BSC chairman, is expected to be delayed.

The BSC, now entering the second week of a strike which has halted all production, still expects to remain within this year's cash limit of £700m although the longer the strike lasts the more tightly stretched its finances will be.

The strike, which is costing the company £5.5m and £6m a week in lost sales, is a severe blow to prospects of meeting the Government's target of BSC operating at a profit in

the next financial year beginning in April.

Sir Charles and steel industry unions have been pressing for a reconstruction of the corporation's financial base which will require legislation. This appears unlikely in view of the already heavy parliamentary legislative timetable and it is much more likely that Sir Keith Joseph, Secretary of State for Industry, will seek to raise the existing borrowing limit to the present maximum of £5,500m.

The ceiling was set nearly two years ago when a £750m increase to £4,750m was approved. At that time provision was made for a further similar sum subject to an affirmative resolution of the House of Commons. At the end of its last financial year BSC's total borrowing against the limit was £3,738m.

Sanctions could jeopardize large contracts Soviet trade dilemma for Britain

By John Lawless

The Soviet Union had a visible trade surplus of more than £350m over Britain in 1979, an increase of £150m on the figure the previous year, but it would be Britain that would suffer if two-way trade were reduced either through direct sanctions or because of tension over Afghanistan.

United Kingdom industrialists involved in large contracts and also negotiating future business worth hundreds of millions of pounds are anxious about the leading role taken by Britain in the United Nations debate on Afghanistan.

Four fifths of British imports from the Soviet Union last year, worth almost £800m, were raw materials. Forty per cent were industrial diamonds, 30 per cent oil of a type not available from the North Sea and 12 per cent timber and cork.

Britain has a growing dependency on the Soviet Union as a source of industrial diamonds. Last year's purchases at about £300m were twice as large as in 1978. If the supplies were in any way restricted Britain would lose out on the substantial reexport of diamonds.

What the Russians buy from Britain, worth £400m last year, falls into five major categories. Specialized and general industrial machinery accounting for 20 per cent of exports to the Soviet Union, inorganic chemicals 19 per cent, iron and steel 9 per cent, textile yarn 8 per cent and non-ferrous metals 7 per cent.

Shipments of industrial specific items ebb and flow according to the large industrial projects being fulfilled at any one time.

Last year's trade figures reflect the completion of the Coburn gas turbine contracts, in which Rolls Royce was heavily involved, with an increase in sales of power generating equipment.

Current trade statistics show the equipment being moved



Pouring into Britain: industrial diamonds account for £300m imports from Russia.

under £175m Davy International contracts for the supply of two methanol plants.

Specially built, ocean-going barge has arrived in Siberia during the past fortnight with seven porters vessels weighing a total of 1,400 tons being unloaded.

The Davy contracts highlight perfectly two ways in which Britain would suffer from a trade embargo with the Soviet Union. They were secured in May 1977 after two years of negotiations. Outstanding orders held by Davy with the Russians total £307m and underline the necessity of an ongoing commitment to the market.

Two meetings, one in London at government-to-government level and due to be held this May and another in Moscow this autumn between businessmen would be jeopardized by any British-led action.

Secondly, work under the

Davy contracts, backed by the Export Credits Guarantee Department (ECGD) is subcontracted to steel fabrication companies in the most job-starved areas of Britain, the north-east coast, the north Midlands, Lancashire, Yorkshire and Scotland.

Other specific categories in trade come and go. For example, although Britain sold £15m worth of cereals to the Soviet Union in 1978, there were none sold last year.

Restriction on sales of computer equipment for projects such as the methanol plants, important for the Russian industrialization programme, could be a method of retaliation by Britain. But these were worth little more than £10m last year and a ban on their sales could have a damaging effect on future negotiations over much larger deals.

Gold and Iran high on bankers' agenda

From Peter Norman
Brussels, Jan 6

Gold and the monetary implications of the Iranian crisis are expected to be high on the agenda when Western central bankers meet in Basel this week.

Although the price of gold slipped back on Friday, last week's rush into the metal speaks volumes over the lack of confidence in the international monetary system that the bankers fear to use. As one European central bank official observed last week, the central bank governors from the Group of Ten countries and Switzerland will be falling down on their job if they do not discuss at least the possibility of selling gold from reserves to quell speculation and depress the price.

But this is not to say that corresponding decisions can be expected from the two-day meeting that starts tomorrow at the Bank for International Settlements.

Some senior European central bank officials were suggesting last week that the gold price rise cannot be viewed in the same way as a monetary crisis. The phenomenon was disturbing but rather as a symptom of the West's much wider problems in the political and military fields. The bankers' alarm is likely to be raised fully only if the gold price phenomenon spills over on to the currency markets.

It was also argued that the boom in the gold price has been artificially nourished by a shortage of supply. Soviet gold has not appeared on the market for many months and South African production is thought to be down.

It was thought that if any nation were to suggest coordinated gold sales by Western central banks it would be the United States. However, Mr Paul Volcker, chairman of the Federal Reserve Board, is not expected to attend the meeting in Basel.

The news that West Germany has asked its banks to support a limited range of sanctions against Iran is likely to bring the continuing repercussions of the Iranian crisis to the bankers' attention. Although the German initiative was organized by the Finance Ministry in Bonn, the Federal Bank in Frankfurt is thought to have been closely involved in the formulation of the policy.

Another problem that could be discussed is that of recycling vast increased Opec surpluses following the recent round of oil price increases.

Neddy to discuss new technology speed-up

By Patricia Tisdell
Management Correspondent

The Government is expected to urge industrialists and trade unionists to speed the introduction of new technology. At Wednesday's meeting of the National Economic Development Council, under the chairmanship of the Prime Minister, the council will consider various aspects of the effects of new technology on employment.

A paper outlining the position of the Department of Employment, being submitted to the National Economic Development Office in preparation for the meeting. This takes as its base a recent report by a study group which concluded that the introduction of new technology would be far worse for employment prospects than anything its application could do.

Mr James Prior, Secretary of State for Employment, may also take the opportunity to discuss a report to the Cabinet Office due to be published today. Prepared by the Advisory Council for Applied Research and Development, this is expected to recommend steps which Britain should take to use the technology successfully.

The advisory council believes that the NEDC should build a strategy for technological change as an integral part of its work. It also wants more training schemes for people in mid-career with earnings-related benefits to encourage skilled workers to change occupations.

This last point is in accord with the view of the NEDC meeting. The NEDC meeting will be to highlight the many common areas between employers and trade unionists in order to foster a cooperative approach.

ing in detail on the conclusions reached by members of its economic committee after a visit to the United States. Trade unionists consider that a high level of public support is vital in retaining workers whose special skills may become outmoded.

There appears to be a "chicken and egg" difference between the TUC's approach to new technology and that of the Confederation of British Industry. The TUC argues that a high level of economic growth is a necessary condition for the successful adoption of new technologies. The CBI, on the other hand, says that new technology must come first in order to improve international competitiveness and thereby increase economic growth and so increase employment.

Sir John Methven, CBI director-general, is expected to announce a further development of its employee communication programme at Wednesday's meeting. This will take the form of a staff discussion document which the CBI is due to publish shortly and which is part of its drive to help management explain national economic issues to individual workers.

One of the points made by the TUC group which visited the United States was that shortages of skilled manpower imposed real constraints on growth in American electronics companies. The CBI has also commented on the mis-match of skills and job vacancies.

Mrs Thatcher's task in chairing the first NEDC meeting will be to highlight the many common areas between employers and trade unionists in order to foster a cooperative approach.

EEF will support Finniston

By Derek Harris

The Engineering Employers' Federation (EEF) is expected to support the report of the Finniston Committee on the state of the engineering profession and manufacturing industry, due to be published on Wednesday.

But the EEF is likely to urge that costs be contained by ensuring that the proposed engineering authority for registering and accrediting professional engineers does not grow too large and that registered engineers should pay annual fees.

The federation is also anxious to see government seats on the authority's governing body to give employers a strong voice, which could be achieved partly by including representatives from bodies such as the EEF and the Confederation of British Industry.

This is expected to be in line with recommendations from the committee, whose chairman is Sir Monty Finniston.

Positive support from industry is being regarded by the Government as vital if the Engineering Authority is to get off the ground. The EEF's support will be particularly welcome but Sir Keith Joseph, Secretary of State for Industry, is likely also to sound out key companies on the report.

The Government's decision on the recommendations will be set out in a White Paper after consultations with industry, educational institutions and professional institutions involved. Legislation could be brought forward in the autumn.

The major costs factor facing the Government would be reorganizing engineering education to meet common standards.

US reshapes trade policy team

From Frank Vogt
Washington, Jan 6

Three years of trade deficits, amounting altogether to more than \$75,000m, have prompted the White House to take trade policy seriously and the result is a big shake-up of the federal government's bureaucracy.

Last week President Carter signed an executive order that greatly strengthened the trade policy responsibilities of the Special Trade Representative and of the Department of Commerce. Both the Department of State and the Treasury are losing many of their foreign trade powers.

This has prompted fears among some observers that the United States may become more protectionist. Officials say this will not be the case.

"We are not going to be protectionist and we are not going to be discriminating free traders either," says Mr Donald Furdado, Deputy Secretary for Trade at the Commerce Department.

Until now influence over trade policy has been split between a number of officials. The role of the Special Trade Representative, for example, had been limited to multilateral negotiations, but now Mr

Reuben Askew, the former Governor of Florida who holds this position, is to have greatly expanded powers.

Mr Askew will be in overall charge of all trade policy issues involving negotiations, and he will have a staff of about 150. Most importantly, he will chair the Trade Policy Committee, whose task it is to coordinate all the government's assorted foreign trade dealings.

To no small extent Mr Askew will be America's "minister of exports" and he will be leaving almost all of the day-to-day trade policy chores—ranging from dumping investigations to monitoring international trade agreements—to a vast team of civil servants now being assembled at the Department of Commerce.

The Commerce Department's efforts will be headed by a new under-secretary, who has yet to be appointed, as well as by Mr Furdado and three assistant secretaries. This team will preside over some 2,700 bureaucrats.

The structure of the new organization plan looks straightforward, but its sheer size seems daunting. Officials simply point out, however, that it has to be big in view of the

volume of American foreign trade which now exceeds \$300,000m annually.

The new organization will not lead to any swift changes in the balance of trade trends, but over time the effect could be substantial. There is just a chance that the bureaucracy may now be better able to respond to business inquiries about foreign trade opportunities and that businessmen may be made more aware of the benefits of exporting. Similarly it is quite possible that the new organization will be more effective on the dumping front.

The main lines of the Carter Administration's trade policies are now clear. First, greater efforts are being made to boost exports, hence the new organization and plans to strengthen the Export-Import Bank. Then, at the same time, the President has declared his determination to cut imports by forcing greater energy conservation and greater domestic energy output.

So at last the United States is joining the ranks of the other key industrial nations and according foreign trade policy the priority it deserves. The long-term effects on employment, inflation and the dollar could be substantial.

Healey & Baker

Your link with the complex world of international real estate.

Healey & Baker
 100, Old Broad Street, London EC2M 1JH
 Tel: 01-475 3444
 Telex: 940000
 Cable: 940000
 Fax: 01-475 3444

THE POUND			
	Bank buys	Bank sells	
Australian \$	2.05	1.99	
Austrian Sch	29.20	27.28	
Belgian Fr	66.75	63.82	
Canada \$	1.29	1.21	
Denmark Kr	5.60	5.20	
Finland Mk	9.28	8.88	
France Fr	4.01	3.78	
Germany Dm	99.00	94.00	
Greece Dr	11.40	10.80	
Hongkong \$	1850.00	1765.00	
Italy L	557.00	532.00	
Japan Yn	149.00	141.00	
Netherlands Gld	4.42	4.19	

Notes for small denomination bank notes only as supplied by the Bank of England. Different rates apply to travellers' cheques and other foreign currency business.

MANAGEMENT

More consultation means less confrontation

In one of the first comments she made this year, Mrs Margaret Thatcher, the Prime Minister, reaffirmed her belief that what Britain needs to succeed in the 1980s is better management. "If you're working well, using the latest equipment and machinery to the fullest extent, if you're working with management, if you've got good management, you ought to do better," she said.

But how do you define "good management"? Alison Mitchell asked a selection of managers, trade unionists and theoreticians what management changes they would like to see in the 1980s.



Mr Maurice Redden, Chairman of ICI.

"I believe that with the removal of the threat of political threats—such as price controls, the threat of nationalisation of the pharmaceuticals business, and Bullcock—the opportunity and obligation for better management are there.

"The reduced tax rates add an incentive, so a positive response is not only necessary but merited.

"The first aspect, and a key one, is that we encourage a participative approach, to give the weekly workers an opportunity to know, understand and influence what is going on, particularly in their own environment. The Bullcock approach of putting workers on the board is

the wrong one. But I believe that employees should know what's going on in their own work area and should have the opportunity to influence the decisions: participation, not merely information.

"In parallel with that, management should generate a reward system that reflects differential performance. Good performance and bad performance, rather than the job, should determine what the man is paid.

"Management should also reward workers on the performance of the company, good or bad, through, for example, profit sharing schemes. Though I think the problem is broader than this simple solution.

"Finally, in the participative process, a bigger problem is for management to enable the work force to share uncertainty. A lot of our weekly staff are not aware of the degree of uncertainty surrounding the predictions on which management decisions are made."



Mr Derek Robinson, suspended shop steward at British Leyland.

"We need a more helping type of management. We need consultation rather than confrontation to mutually resolve problems. Given an open style of management, you will find trade unions prepared to co-operate. However, with the scheduled legislation there is very little likelihood of an open

type of management, or an open type of government.

"Before policy decisions are taken in the field of investment, new methods of production, or manning, there should be adequate opportunity for big involvement by the trade unions and representatives at the point of production, to allow a broad understanding.

"At present the decisions are taken and then the unions respond. If there is so much consultation and no such involvement then negative decisions are made which result in negative responses."

"The traditional steel manager, who was known and respected by the work force, is still there; but somehow his views are ignored when planning decisions are being taken. Top management, particularly those concerned in the planning of the British Steel Corporation, are best judged on their record."

"We cannot expect management even if good, to carry the full burden of major changes in society.

"To improve, they need a greater will and determination which they have not had in recent years because they have felt their authority under threat. As a society, we are unwilling to take hard decisions. Management get themselves into impossible situations without thinking them through.

"Management could also do with more training to ensure that the intellectual underlay is there. Over and above that, management should reflect changes in society at large. Managers should become more individualistic, tougher, more successful."



Mr Bill Sir, general secretary of the Iron and Steel Trades Confederation.

"In the steel industry there is a mix of both good and bad management, and regrettably it is the latter which has been in the power position in recent years.

"The traditional steel manager, who was known and respected by the work force, is still there; but somehow his views are ignored when planning decisions are being taken. Top management, particularly those concerned in the planning of the British Steel Corporation, are best judged on their record."



Mr Roy Clegg, director general of the British Institute of Management.

"Good management in the 1980s will, more than ever before, be about leadership, communication and improved operational performance. Britain has good management; but it needs to be more effective in the challenging conditions.

"Senior management has to adopt the right commercial policies and overall strategies, and middle and junior management has to get results by putting

together policies, targets, skills and workers' efforts in a complex and demanding social, economic and political environment.

"At the same time, all management has to seek out, adapt, and make acceptable, those new ideas and methods that will help achieve these objectives.

"These objectives must include the new technologies and a more participative and open style of management that involves middle and junior managers as well as the workforce."

So, from the captains of industry to the trade unionists, there is agreement that the 1980s should herald a more open style of management, with an increase in consultation and a decrease in confrontation.

Sir John Methuen, director general of the CBI, is another devotee of the open style of management. At the end of last year he set out priorities in achieving it.

It was, he said, essential that managers should tell their employees about every failure as well as every success. It was essential that they be consistent; that they communicate face to face whenever possible; that managers and supervisors be briefed first; and that managers, supervisors, and employee representatives be trained in the business of communicating.

It is, however, a reflection of both past attitudes and future difficulties in obtaining this participative and open style in management, that neither Mr Len Murray, the TUC general secretary, nor Mr David Barnett, chairman of the TUC's influential economics committee, could find time to comment on the subject.

Post Office and tariff claims

From the Senior Director Post Office Postal Services

Sir, You published (January 3) letters from Mr Fairlie of the Mail Users' Association and Mr Ross of the Association of Mail Order Publishers which were said to deal with questions of principle concerning postal price increases. Unfortunately, much of Mr Ross's letter was based on incorrect assumptions, including a false allegation that we had been party to "managing" news by delaying the arrival of a Post Office press release.

The Post Office vigorously pursues a policy of open communication with the media and its customers. The release which Mr Ross claimed took a week to reach intended recipients was, in fact, in the hands of the media on December 20, the day of issue. It was sent to the Press Association news agency, which promptly relayed it to every major newspaper office in the country and newspapers carried reports the following day based upon our release. As a matter of courtesy, we also sent our major customers and interested trade associations a copy of that statement and this we did by post, so that they would have available our full statement for reference. The statement was primarily for the press.

Both your correspondents refer to a later report in *The Times* of December 29, which you actually published on December 29. Perhaps the co-incidental slip is understandable, given that Messrs Fairlie and Ross work for the same company (Reader's Digest).

The question of "the correct relationship between government, the customers and public monopolies" is a matter for government. However, in making his point he did include some damaging and misleading criticism of the Post Office.

We chose to ignore the fact that we launched and published a Two-Year Postal Action Plan designed to restore service reliability, achieve internal economies and boost postal productivity. There has never been any question of relying on price rises alone. He might also have given us some credit for the job we did over the Christmas period when we not only successfully delivered all mail posted, but also over 100 million letters posted after those dates, despite letter bombs, strikes and bad weather.

Just for the record, it was the very same Mr Fairlie who wrote

of us in a recent book: "The British postal service has been and still is the equal of any foreign counterpart and greatly superior to most. It is still regarded by most other postal administrations as the model for today and the pacesetter for tomorrow."

Finally, a word about the Post Office and its relationship with the Post Office Users National Council (POUNC). We do, as a matter of principle and practice, liaise closely and continuously with POUNC and value the access to customers views which this affords.

In their recent report on our postal price proposals, POUNC urged that basic letter increases should be lower than we sought. Because of its financial position the Post Office could not agree with this view. The Government accepted the logic of our own proposal because of the overriding need for the postal business to meet its financial targets. However, POUNC made a number of other recommendations which we welcome and will be pursuing with the council.

Yours faithfully,
D. HENRY,
Headquarters Building,
St-Martin-le-Grand,
London EC1A 1HQ.

Training accountants in small professional firms

From Mr Warren C. Levy

Sir, Your recent management articles and letters in respect of the training of accountants seem to have ignored a very important and substantial sector. Much is talked of the large and medium-size firms which are able to provide a wide form of training for the apprentice accountant. The problem with these firms is that all too often the young budding accountant gets involved in the records at a very low level during auditing and is not so involved in the management or the activities behind the figures.

The experience of trainees in the smaller professional firms is quite different, meeting senior management up to managing directors and major shareholders at a very early stage. Often being taken into their confidence when it comes to weighing up business problems and making high-level decisions.

It can be argued that these companies are often small and insignificant, however, the decisions that have to be made are the same as in a large company and will have the same proportional effect on the small company. In these companies the

same considerations apply with regard to financial implications, considerations, personnel, and the many other factors confronting the management of the firm. Trainees within the small firms are therefore exposed at a far earlier age to good and bad management and can learn from this.

The inability of small firms to carry out the kind of professional in-house training conducted by the larger and medium-size firms of accountants can be compensated by external courses.

There is no doubt that experience in large companies is also vital. This can be gained by the trainee where the opportunities will be greater and the spectrum of involvement wider, without spending three years with a large professional firm working a high proportion of mundane work which still needs to be carried out.

Yours faithfully,
WARREN C. LEVY,
Managing Director,
Clifford & Company,
(Consultants) Limited,
Norwich Union House,
9 Mackenzie Street,
Slough, Berkshire.

Employee communications

From Mr Colin Minton

Sir, Your writer Patricia Tisdall (December 18) scores heavily on perception with regard to employee communication and business realities—the danger of having up too soon. Keep going, Sir John.

The history of so many companies is full of disappointments in their efforts to broaden horizons, to inform and ultimately educate those they employ.

Even with the willingness and resources available to them the expectations of many boardrooms are far too high. A quick annual employee report (often a downbeat view of the shareholders' report) a house journal or two, the chairman on video tape, the odd face-to-face briefing group (which we can face up to that should be the trick for next year's difficult negotia-

tions—is far too often the policy. Where else in the business does one expect an instant return on a long-term investment?

The radical action that is needed starts where longer term objectives are set and a policy of continuity and consistency is made to meet them—in the boardroom. There is no lack of resources. The investment in British industry in this area is tiny compared with their communications to the external world at large. Most companies probably spend less than £5 per employee per annum on direct communication costs and hope for a return of 500 per cent plus in moderation of wage claims alone.

May I through your columns suggest to the boardrooms of this country that they spend at

least some identifiable time during the working year to renew what they have done. Then the needs can be assessed, objectives planned, and policy devised, in relation to employee communications, in the same way that investment, product and market developments, organisation and so forth is handled.

As the company originally commissioned by the CBI in 1976 to undertake their survey and analysis, I believe we can speak with some authority. Yours faithfully,
COLIN MINTON,
Senior Consultant,
Charles Barker Lyons Ltd.,
Employee Communication Division,
30 Farringdon Street,
London EC4A 4EA.
December 18.

CHECKLIST

Merchant Shipping Act 1979: came into force on January 1. Provides for an increase in the fines to be levied on owners of substandard ships from £1,000 to £50,000.

W. Weddell & Co Ltd v Tepper: Court of Appeal held that, in order to justify a dismissal for misconduct as fair, an employer must establish that he believed that the employee was guilty of misconduct, that he had reasonable grounds for believing that at the time he formed it, and that he had carried out as much investigation into the matter as was reasonable in the circumstances.

Dodd Properties (Kent) Ltd and Another v Canterbury City Council: Court of Appeal held that where damage caused to premises was not repaired for a number of years for good commercial reasons, the award against perpetrators of the damage should reflect the cost of repair now, rather than when it was originally done.

Pension funds: National Association of Pension Funds is to make three Golden Pen awards this year to the first, second and third best simplified report, and the best report in a special category for smaller funds. The NAPP Yearbook 1980 is available from NAPP, Prudential House, Wellesley Road, Croydon CR9 9XY, price £7.50 to members and £12 to non-members.

Car Tax (Description of Vehicles) Order 1979 (SI 1979/1646): came into effect on January 1. Effectively reduces the weight limit above which heavy vehicles cease to be liable for car tax by 107 pounds.

Coping with growth in high technology

One of the best known doubloons in the electronics business, Bill Hewlett and Dave Packard, who founded the Hewlett-Packard Company, have turned their backs on high tech for good. Then, two years ago, Mr John Young took over from Mr Hewlett as president, with Mr Hewlett and Mr Packard moving back to concentrate on longer-term policy as chairman of the executive committee and chairman of the board respectively.

No drastic change was expected following Mr Young's appointment. Hewlett-Packard is not that sort of company. But now faces a time of transition and growth, that is inevitably straining the company's traditional policies of obtaining profits through technology; growing its own managers; and financing its own growth.

In many respects, it can be argued, Hewlett-Packard shows a company style more Japanese than American. In some ways it is like IBM, but with less rigidity in the system, less central control, and a greater concern for the individual.

Circuitry designed by Bill Hewlett for his electrical engineering thesis at Stanford University led to the first product developed by him and fellow graduate Dave Packard—an audio oscillator, built in 1938 in a one-car garage behind the Packards' rented home in Palo Alto. Walt Disney Studios ordered eight for the sound system used for the movie *Fantasia*, and Hewlett-Packard was in business.

By the 1960s the company was a leading supplier of electronic measuring instruments, with a Rolls-Royce sort of name in laboratories around the world. Since then it has expanded into other markets,

and in particular into the world of electronic calculators (where it has an impressive list of "firsts") and computers.

Initially its computational products were aimed at the users of its technical and scientific instruments; more recently it has moved seriously into business data-processing; and last week it made its debut in the fast-growing market for personal computers.

The consistent introduction of internally developed products, says Mr Young, is the key to the company's steady growth in annual sales in recent years of 15 to 20 per cent. In its 1979 financial year, to the end of October sales grew by a record 36 per cent to £2,350m (about £1,050m).

At present the product mix (measured by sales) is 45 per cent electronic data products (calculators and computers), 42 per cent electronic test and measurement instruments (including components), 8 per

cent medical electronic products and 5 per cent electronic instrumentation for chemical analysis.

Calculators and computers are growing fastest (there was a 42 per cent increase in sales in 1979), and are expected to represent over half the company's total business within the next few years.

Hewlett-Packard is a big spender on research and development. In 1979 it invested its customary 9 per cent, or thereabouts, of sales in R and D (most of which is D), generating almost 100 new products in the process.

"We chose a product type of organization," says Mr John Doyle, the Devon-born vice-president, personnel. (There are 17 operating divisions, each in six broad product groups; each division has its own R and D manufacturing and marketing units; but the sales forces are run by the appropriate group.)

"This gives a personal involvement with the product, and helps engineers to become good managers." Everybody seems to have two bosses, Mr Doyle adds—his divisional manager and his superior within his own discipline.

"Many of us have always had two bosses," he comments, meaning Mr H and Mr P. "You didn't always get the same answer—but they were reconcilable."

Almost half H-P's total business is with customers outside the United States. In Britain, the company makes communications test equipment in its factory at South Queensferry, West Lothian, and is setting up a £6m software development centre at Pinner, Wokingham, near the company's United Kingdom headquarters at Weybridge.



Mr John Young, president of Hewlett-Packard.

Public and Educational Appointments also on page 23

UNIVERSITY TEACHERS FOR TANZANIA

The University of Dar es Salaam will have vacancies in a wide range of disciplines for the academic year starting in July, 1980. Staff are needed at all levels for appointments of 2 years or more.

The UCU intends to make known to the Vice-Chancellor the availability of suitable candidates presently in the United Kingdom. Candidates should write direct to the University at P.O. Box 35091, Dar es Salaam. Teaching and/or research posts are available in the Faculties of AGRICULTURE, FORESTRY AND VETERINARY SCIENCE, ARTS AND SOCIAL SCIENCES, ENGINEERING, LAW, MEDICINE AND SCIENCE AND IN THE INSTITUTES OF DEVELOPMENT STUDIES AND RESEARCH.

Salary ranges approximately £2,030-£4,600 p.a. (more for medical staff). Some senior posts may be supplemented in range £4,974-£12,514 p.a. (varied) or £5,640-£25,588 p.a. (single); normally tax-free. Additional fringe benefits.

Further information from Head of Division B, Inter-University Council, 90/91 Tottenham Court Road, London W1P 0DT. Closing date: 8 February, 1980.

University of Malaysia

Applications are invited for the post of

LECTURER

In the following Departments of the Faculty of Medicine—

BIOCHEMISTRY,

OPHTHALMOLOGY,

MEDICAL MICROBIOLOGY,

PATHELOGY,

PHARMACOLOGY,

PHYSIOLOGY,

RADIOLOGY, SOCIAL & PREVENTIVE MEDICINE,

OBSTETRICS & Gynaecology

Qualifications & Experience: Candidates should have appropriate academic qualifications and adequate experience in the relevant field.

Further details of the Faculty are available from the University of Malaysia, which will consider applications in the University Hospital, Kuala Lumpur, or from the Secretary, University of Malaysia, P.O. Box 107, Kuala Lumpur.

The closing date for the receipt of applications is 31 January 1980.

University of Oxford

Applications are invited for the post of

LECTURERSHIP IN

ZOOLOGY

Applications are invited for the above post. Salary according to scale £3,334-£9,081 (interim scale effective from 1.10.79). The successful candidate will be offered a fellowship by Wolfson College, Oxford, to whom applications should be sent by 17 March, 1980.

Further details of the Faculty are available from the University of Oxford, which will consider applications in the University Hospital, Oxford, or from the Secretary, University of Oxford, P.O. Box 107, Oxford.

The closing date for the receipt of applications is 31 January 1980.

University of Birmingham

Applications are invited from graduates for the post of

ADMINISTRATIVE ASSISTANT

In the Centre of West African Studies, which will be based in the University of Birmingham, P.O. Box 363, Birmingham B15 2TT.

Further details of the Faculty are available from the University of Birmingham, which will consider applications in the University Hospital, Birmingham, or from the Secretary, University of Birmingham, P.O. Box 363, Birmingham B15 2TT.

The closing date for the receipt of applications is 31 January 1980.

University of Sheffield

Applications are invited for the post of

POSTDOCTORAL RESEARCH ASSISTANT

Applications are invited for the above post to work with Dr M. Croxall on the mechanisms of the control of child development. The successful candidate will be offered a postgraduate studentship by the Science Research Council and will receive a salary of £2,750-£3,010. Further details of the Faculty are available from the University of Sheffield, which will consider applications in the University Hospital, Sheffield, or from the Secretary, University of Sheffield, P.O. Box 363, Sheffield S10 2TN.

The closing date for the receipt of applications is 31 January 1980.

University of Hongkong

Applications are invited for the post of

SENIOR LECTURESHIP

IN ORTHOPAEDIC SURGERY

Applications are invited for the above post. Salary according to scale £3,334-£9,081 (interim scale effective from 1.10.79). The successful candidate will be offered a fellowship by Wolfson College, Oxford, to whom applications should be sent by 17 March, 1980.

Further details of the Faculty are available from the University of Hongkong, which will consider applications in the University Hospital, Hong Kong, or from the Secretary, University of Hongkong, P.O. Box 363, Hong Kong.

The closing date for the receipt of applications is 31 January 1980.

UNIVERSITY OF EAST ANGLIA JOHN INNES INSTITUTE APPOINTMENT OF DIRECTOR

Applications are invited for the above appointment. The Institute is a research centre for the study of the development of the human embryo and the role of the placenta in this process. The Institute is located in the John Innes Institute, Norwich, Norfolk NR4 7UH.

The Institute is a research centre for the study of the development of the human embryo and the role of the placenta in this process. The Institute is located in the John Innes Institute, Norwich, Norfolk NR4 7UH.

Further details of the Faculty are available from the University of East Anglia, which will consider applications in the University Hospital, Norwich, or from the Secretary, University of East Anglia, P.O. Box 363, Norwich NR4 7UH.

The closing date for the receipt of applications is 31 January 1980.

Imperial College (University of London)

Applications are invited for the post of

TWO RESEARCH POSTS

in the Department of Social and Clinical Medicine. The successful candidate will be offered a fellowship by Wolfson College, Oxford, to whom applications should be sent by 17 March, 1980.

Further details of the Faculty are available from the University of London, which will consider applications in the University Hospital, London, or from the Secretary, University of London, P.O. Box 363, London.

The closing date for the receipt of applications is 31 January 1980.

University of Hongkong

Applications are invited for the post of

SENIOR LECTURESHIP

IN ORTHOPAEDIC SURGERY

Applications are invited for the above post. Salary according to scale £3,334-£9,081 (interim scale effective from 1.10.79). The successful candidate will be offered a fellowship by Wolfson College, Oxford, to whom applications should be sent by 17 March, 1980.

Further details of the Faculty are available from the University of Hongkong, which will consider applications in the University Hospital, Hong Kong, or from the Secretary, University of Hongkong, P.O. Box 363, Hong Kong.

The closing date for the receipt of applications is 31 January 1980.

University of Birmingham

Applications are invited for the post of

POSTDOCTORAL RESEARCH ASSISTANT

Applications are invited for the above post to work with Dr M. Croxall on the mechanisms of the control of child development. The successful candidate will be offered a postgraduate studentship by the Science Research Council and will receive a salary of £2,750-£3,010. Further details of the Faculty are available from the University of Birmingham, which will consider applications in the University Hospital, Birmingham, or from the Secretary, University of Birmingham, P.O. Box 363, Birmingham B15 2TT.

The closing date for the receipt of applications is 31 January 1980.

University of Hongkong

Applications are invited for the post of

SENIOR LECTURESHIP

IN ORTHOPAEDIC SURGERY

Applications are invited for the above post. Salary according to scale £3,334-£9,081 (interim scale effective from 1.10.79). The successful candidate will be offered a fellowship by Wolfson College, Oxford, to whom applications should be sent by 17 March, 1980.

Further details of the Faculty are available from the University of Hongkong, which will consider applications in the University Hospital, Hong Kong, or from the Secretary, University of Hongkong, P.O. Box 363, Hong Kong.

The closing date for the receipt of applications is 31 January 1980.

University of Birmingham

Applications are invited for the post of

POSTDOCTORAL RESEARCH ASSISTANT

Applications are invited for the above post to work with Dr M. Croxall on the mechanisms of the control of child development. The successful candidate will be offered a postgraduate studentship by the Science Research Council and will receive a salary of £2,750-£3,010. Further details of the Faculty are available from the University of Birmingham, which will consider applications in the University Hospital, Birmingham, or from the Secretary, University of Birmingham, P.O. Box 363, Birmingham B15 2TT.

The closing date for the receipt of applications is 31 January 1980.

University of Hongkong

Applications are invited for the post of

SENIOR LECTURESHIP

IN ORTHOPAEDIC SURGERY

BY THE FINANCIAL EDITOR

Rising costs and the chemical companies

The latest round of oil price increases will probably cause problems for the world's chemical companies. Most of them weathered the last round well enough; but there was no problem over volume demand a year ago. There is not much of a problem now (except in fibres) but there is likely to be soon.

Chemical companies traditionally run into their recessions some months after their effects have become obvious elsewhere: so the fact that demand held up last year is not perhaps as surprising as the reassessment of profit estimates now in progress would suggest.

There have been some anxious calculations as to whether the level of demand reflects stock building which will make the downturn, when it comes, all the more savage; but so far the evidence for this is negligible.

Assuming, however, that things start to go wrong from the second quarter of next year (it could be earlier in Europe, but profits of British companies, at least, will look respectable by comparison with a period affected by the lorry drivers' strike), the question that arises is how far chemical companies will be prepared to chase volume at the expense of margins.

Of itself a rise in raw material prices (and naphtha contracts in the first quarter of 1980 are likely to be fixed at double the price of a year ago) provides arguments against chasing volume, since it lowers the breakeven point.

Thus there are reports already that BASF is refusing to buy naphtha on the spot market, on the argument that it could not make a sufficient profit on the extra volume this would permit to justify the exercise.

If this argument holds, the damage caused by the inevitable downturn in volume will be relatively limited. However, any attempt, by say, the European companies to hold their margins by increasing prices to reflect the rise in raw material costs, is going to present some tempting opportunities to outsiders to boost their volume by undercutting. If that happens, and it may not, since the likely competitors, the Americans, will probably look East instead—then the European producers will have to make an unappealing choice between cutting their margins and losing market share.

While such a choice is in the offing their shares, too, present an unappealing prospect. The one possible exception is ICI, whose exposure to the North Sea through a stake in Ninian ensures that it really cannot lose.

UK Banking

Tying up the loose ends

Now much tidier after the clearing bank mergers of the late 1960s and the mid 1970s, there are still some ragged edges to be ironed out in British banking. Yorkshire Bank, for example, controlled by four of the clearers (NatWest, Barclays, Lloyds and Williams & Glyn's) has against the trend managed to stay independent.

There has been little to quibble about in the profits record, but all the same some voices among the shareholders question the logic of the bank staying independent, especially as it has now started to spread away from its northern roots.

The problem of course is to decide which shareholder should buy the others out and that impasse may help it keep out of the net for a while yet.

At the other end of the scale, there are some interesting looking consumer finance operations, which though temporarily struggling with high interest rates look attractive on a cyclical view. Lloyds and Scottish seem to be happy with its takeover of the troubled Cedar Holdings, since it has taken it into the second mortgage business. There is still First National Finance Corporation with almost a third of this unfashionable—but profitable—business which would attract a bidder were it not for the fact it is still kicking off its secondary banking legacy. The future also of the non-bank owned finance houses like United Dominions Trust, Provident Financial and Wagon Finance is frequently a matter of speculation.

Among the clearers Lloyds is the favourite to go through further structural changes in the next year or so. Hitherto its weakest link has been reckoned to be the lack of ownership of a finance house. This has forced it to go in for "big ticket" deals

so far as leasing is concerned and rely on its two-fifths stake in Lloyds and Scottish to provide the exposure in the highly profitable smaller leasing deals. Midland's move to put all its finance house activities under one roof has pushed Lloyds even further out on a limb.

But speculation that Lloyds would buy out Royal Bank of Scotland's interest in L and S has recently been overtaken by rumours—fuelled by Sir Jeremy Morse's remarks as chairman of Lloyds Bank International about a possible restructuring there—that Lloyds will soon sort out its involvement with Grindlays Holdings.

Five years ago Lloyds and Citibank stepped in to shore up a Grindlays wilting under the burden of itself rescuing the merchant bank brands. As a result, Lloyds has a 41 per cent interest in Holdings which controls 51 per cent of the banking arm where Citibank has its 49 per cent stake.

Clearly Grindlays faces a crossroads this year with some \$65m in loans from the two shareholders due for repayment and this will present the two banks with some soul-searching about their future involvement.

Despite a steady, if unspectacular, profits recovery in the last three years, Grindlays perennial problem has been the size of its capital base. The last accounts of the bank showed a balance sheet total of almost £3,000m supported by £128m of capital, almost a quarter of which was loans.

The Barclays balance sheet of £23,000m where on capital of £1,358m only a sixth of which is loan capital. So the recent increase in authorized capital at Grindlays is probably nothing more than a pre-emptive move to boost the equity content at some stage. But like other United States banks Citibank is not happy with stakes in other international banks while Lloyds could find Grindlays' exposure in the Middle East and the Pacific basin a useful tie in with LBI's existing spread.

Oil money

Unbalancing the banking system

Many international banks are becoming worried at the prospect of an influx of Iranian funds—if they are, as seems likely, being moved out of London—not to mention the huge amount of footloose Middle East money that appears to be looking for an alternative home outside the United States banking system in general and the dollar in particular. There are now signs that several big European banks are actively trying to discourage these large Opec funds by quoting them below the going inter-bank rate.

What is concerning the banking system is not simply the volatility of these funds but more importantly the fact that the inflow would play havoc with their capital to assets ratios. Without big increases in their capital, many of the big European banks simply cannot go on taking deposits abroad.

Their problems have been made worse by the trend over the last couple of years to much tighter prudential controls in some of the European banking centres. Japanese and French banks are probably the least constrained as yet by controls but in Germany and Switzerland the banking authorities keep matters on a short leash by laying down clearly defined capital ratios to which the banks have to adhere.

In particular the offshore subsidiaries of many of the leading European banks, which mushroomed in places like Luxembourg to handle their growing Euromarket activity, are now much more closely monitored.

Previously these offshoots did not have to be consolidated in group accounts. Now that the German and Swiss authorities insist that this is done, it means that their international operations have to conform to the same rigorous ratios as their domestic ones.

German banks have become frequent raisers of new equity in the last few years—last month for example two of the more successful groups Commerzbank and Bayerische Vereinsbank raised some DM420m through rights issues—just to maintain their capital to lending ratios following the rapid growth of business in the 1970s, and that gives them little scope for raising fresh money to handle an influx of Middle East funds.

Even if the banks could find that kind of capital, there is little incentive for them to do so with lending opportunities few and far between after the shockwaves the Iranian crisis has caused for international banking.

Balancing the books in an age of inflation

Oliver Stanley

This year should see resolution of a practical problem which has bedevilled British management for a decade: how best should company accounts show the effect of price level changes? Given 17 per cent inflation, the problem is critical.

Conventional historic cost accounting has become ineffective as a system designed to measure profit and value. In November 1979 Mr Gordon Richardson, the Governor of the Bank of England, produced a massive catalogue of damage consequences:

investment decisions are capable of being distorted by lack of an inflation accounting system; dividends may be over-distributed;

pricing may be prejudiced; unadjusted profits may be misleading in pay negotiations; capital markets may be misled;

national resources may have been misallocated over the years; companies have been both over-taxed . . . and under-taxed . . .

The last consequence has produced a degree of urgency even among accountants who have been deeply divided since 1975 as to what system to adopt. The Governor, the Chancellor, Sir Geoffrey Howe, and before him Mr Healey, have all disclosed that the Inland Revenue is "looking into" the problem with accountancy profession help.

From that end of the telephone the problem is that the twin expedients applied to alleviate the 1974 corporate cash crisis have proved so successful

in combating profit inflation that corporation tax yield has almost collapsed.

The two expedients were: 100 per cent writing down allowances on plant and machinery; and stock relief (under which amounts equal to stock increases—whether representing changes in price volume, or a mixture of both—were simply eliminated from the computation of taxable profits).

Revenue statistics concede that the impact has been to deplete corporation tax by £4,300m for 1978-79. To see this figure in perspective, the net receipts from corporation tax, excluding advanced corporation tax (ACT) for that year was £2,500m, of which perhaps £500m was from capital gains. Over the preceding five years income tax yield doubled, while corporation tax remained roughly constant.

Clearly the corporate sector has not been bearing its fair share of the burden, but how can the position be corrected? Tinkering with stock relief can hardly help, since the underlying concept is misconceived. The only answer is to press for

Net receipts: Inland Revenue taxes (£m)		
	Income tax and surtax	Corp tax excl ACT
1973/4	7,444	1,833
1974/5	10,487	1,701
1975/6	15,150	1,530
1976/7	17,078	1,585
1977/8	17,450	2,080
1978/9	18,784	2,518
1979/80	18,885	3,220 (est)

Source: Inland Revenue Statistics.

new conventional accounting practices, so that relief is given in the profit and loss account not in the separate tax computation.

If it emerges that real profitability has declined—over the period perhaps to as low as 4 per cent to 5 per cent return (real) on trading assets, by comparison with 17 per cent (unadjusted)—the collapse of corporation tax yield may seem justified.

The accountancy profession has been producing *Exposure Drafts* (a cautious and non-committed approach) on the topic since 1973. In those innocent early days, the balance of opinion seemed to favour current purchasing power accounting (CPP), based on a single index representative of general purchasing power. All quoted companies would produce a supplementary statement in terms of value of the pound at the balance sheet date converted by use of the index, probably the retail price index.

Then came the Sandilands committee, and two years elapsed before it reported. When it did, CPP had been overtaken by current cost accounting (CCA), designed to adjust for specific price changes on an individual business basis. In July, 1977, the "little men" in the Institute of Chartered Accountants threw out CCA as too complex, and although various compromises have been "exposed" since then, no conclusions have been reached.

The problem is how to get a true reflection of price level changes with the minimum number of separate adjustments. The problem is at least tackled in ED 24, the 1979 version of a consensus solution. (Mr Richardson thought this

ED 24 PROPOSALS IN SIMPLIFIED FORM

	£000's
Profit before interest and tax (under historic cost)	2,500
Deductions:	
1 Additional depreciation	950
2 Cost of sales adjustment	450
3 Monetary working capital adjustment	100
Interest	200
1,719	
Profit after interest and tax	781
Additions:	
4 Gearing adjustment	470
Current cost operating profit	1,560
Corporation tax thereon:	750

Source: ED 24.

"close to general acceptance".

For a start, application would be only to companies which are quoted or have a £5m-plus turnover. This would hopefully exclude country businesses and practitioners who found CCA unacceptable in 1977.

There are four major ingredients prescribed:

1. Depreciation: An adjustment would be made to measure depreciation according to current asset replacement cost.

2. Cost of sales: The adjustment would effectively exclude stock appreciation from profit.

3. Monetary working capital: The adjustment would be designed to allow for the effect of changing prices on monetary items, in particular trade creditors and debtors.

4. Gearing: Finally, all the above adjustments would be reduced in the proportion that net assets financed by borrowing bear to total net operating assets. This is intended to reflect the benefit of borrowing in an inflationary era and to correct one of the most anomalous features of stock relief under which underserving big borrowers got the best of both worlds.

If the Chancellor could establish some system on these lines by the time of his 1980 Budget, he could repeal stock relief, wipe out a lot of deferred taxation, and reestablish a corporation tax yield at say £2,000m above the estimate for 1979-80.

That would, in turn, permit him to give us meaningful capital taxation relief, including alleviation of stamp duty, which is overdue without having to claw back the yield from any other embarrassing source, for example VAT. But it is optimistic to think that a fully agreed system can be introduced within the next few months, and the temptation to compromise and to go for piecemeal changes will be a strong one. That temptation must be resisted.

So long as the short-term tax problem remains there is hope that the bigger, more fundamental problem will be tackled and resolved.

Who is responsible for the waste in the apple orchards?

British fruit growers are embarrassed by what they accept as a glaring waste of food under the CAP policy

Anyone who travelled among English orchards last autumn will have noticed thousands of apples and pears lying rotting on the ground. Yields were good, imported supplies were plentiful and there was far more fruit than the market could absorb.

What may not have been widely known is that tons of fruit were officially "dumped". Deep in the recesses of the EEC Common Agricultural Policy there are clauses about support for owners of orchards.

The aim of the fruit rules is the same as that for more familiar items in the policy, like beef and butter. It is to protect producers by fixing a support price below which produce will be bought with Community funds and removed from the market.

In the case of beef and butter the produce is stored by the Community at great expense and amid complaints about the iniquity and wastefulness of keeping "mountains" of food. Protection of fruit growers has been much less conspicuous.

The rules for fruit state that a price will be set in Brussels at which food will be bought from accredited co-operatives of producers by official EEC agencies. The agency in Britain is the Intervention Board for Agricultural Produce, a little-known organization of some 500 civil servants which administers the whole of the common agricultural policy here.

The policy favours the direction of food to human consumption above all other uses. When the intervention board buys fruit it is entitled under the rules to use it for approved charities and institutions like schools and hospitals.

If that fails, the board can direct its fruit to the market for animal feed ingredients.

If it cannot get rid of the produce in that way, the board

But, because of the glut, all the pears and more than three-quarters of the apples were dumped, and allowed to rot. Almost a fifth of the apples were used as animal feed after only a quarter of 1 per cent were accepted by approved institutions for human consumption.

British fruit growers are embarrassed by what they accept as a glaring waste of food under the common agricultural policy. Officials at the headquarters of the National Farmers' Union in London decline to name the farms on which fruit is dumped because they do not want the union to be associated with the destruction of food.

If food must be thrown away, there is no need to make an official ceremony of it, they believe.

Yet it is not the fault of the common agricultural policy that the British market was heavily over-supplied with apples in 1979 resulting in such dumping.

It was a good year for British yields, and the quality of home-grown fruit was high, but at the same time French growers persisted with an aggressive and successful marketing campaign in Britain. About 8 per cent of the world's commercial apples are grown in France and more than a third of French output is sold abroad.

In the past two years French growers have made sales as far afield as Finland, Dubai, Singapore and Libya. But their main export outlet is Britain, where sales in the main season between mid-August and mid-September were half as high again in 1979 as in 1977.

Fewer than half the apples eaten in Britain are now grown here and the price of French produce determines the price



Apples that reach shop shelves as liquid: bitter-sweet Herefordshire apples being stockpiled in a Hereford cider factory silo.

for all apples sold here in the main season. What outrages British growers is that France has scored its success with Golden Delicious, a variety which is despised for its blandness and cardboard texture among horticultural purists.

They received support a year ago from the French Ministry of Agriculture, which reported in an official bulletin about Golden Delicious that some commercial fruit was of poor quality. "They have no taste if they are picked too early," the industry said. "The flavour goes if they are irrigated too heavily."

However, the dominance of the British market by such fruit shows that successive governments have been right to point to lack of marketing expertise as a significant weakness of British agriculture.

Hugh Clayton

Business Diary profile: Sir Lawrence of the Revenue

The chairmanship of the Board of Inland Revenue conjures up an image of propriety, pectinarity, gravitas and dullness—in short, all the nineteenth century qualities associated with public administration in the grand manner of the late Sir John Anderson, the dominating figure of interwar Whitehall. The new incumbent in Somerset House, Sir Lawrence Airey, who took over last week, is worried about it. A spare, sharply self-ironical and occasionally outspoken Georgie, he confessed: "Not being pompous could be a disadvantage. People expect the chairman of the Board of Inland Revenue to be a very large, sober individual who gets up and makes speeches."

"I will have to learn to conceal my natural diffidence and appear a suitably solid citizen. I shall need to speak more slowly and not be indiscreet to journalists."

One of the nice things about Sir Lawrence is that he always seems faintly surprised in his boyish way (for all his 53 years) at finding himself such an eminent person. His realistic, slightly caustic interventions at the Treasury's top policy making committee, will be missed on Tuesday mornings.

For his part, Sir Lawrence

will miss his Great George Street colleagues whom he likes, he says, without exception. "Working in the Treasury is an education. You are continually exposed to high quality thought. It keeps the mind alive. It produces active life, like 'Pal'."

It is refreshing to hear a permanent secretary like a department to dog food.

Sir Lawrence is no stranger to taxation. He began his career in the Office of the Registrar

General in Somerset House. His Treasury second permanent secretary, retired tax policy, which, like industrial policy, he found absorbing.

He was surprised, though, when Sir Ian Bancroft, Head of the Home Civil Service, asked him to go back to Somerset House. His second reaction was to contemplate the awesome task of managing 80,000 people instead of the 200 who worked for him in the Treasury.

He was clearly a front-runner for the top Treasury job when Sir Douglas Wass retired. Is he sad to be out of the Treasury? "I find it difficult to think of what to say to a question like that. To give an honest answer would take an essay."

Some of Sir Lawrence's colleagues regard him as a machine man rather than an ideas man; he knows how the system works—"a quality that should be of great value to the Revenue. The department has its industrial relations troubles and the age-old tension between the ineptitude, who have come up the hard way, and the policy men, who came in as direct graduate recruits, still exists."

Worst of all, the department has frequently fallen victim to ministers wanting to achieve short-term ends at the expense of administrative efficiency and the continuity of the tax system.

As a whole, Sir Lawrence will have to stand up to his political

masters if any juggling is in prospect as PAYE moves on to computers in the early 1980s and a period of stability is required.

Ask him how to make the tax system a force for virtue by encouraging wealth creation and Sir Lawrence will ask you to find him an economist who can settle once and for all the question of whether higher taxes make people work harder to maintain their take-home pay or whether lower taxes have the clear incentive effect so often attributed to them.

He reckons that the evidence date has been anecdotal and suggests that the answer lies buried deep in human nature. "It is tracing causality in human economic relations that is the problem," he says, sounding for once like a traditional Treasury man.

He will have to worry, too, about keeping social security law levels apart, another old faithful of the Revenue. "There are a hell of a lot of people at that level and it is very costly to raise tax thresholds," he says.

Sir Lawrence has seven years to build his monument in the tax field before retiring or "reaching the start of my old age" as he puts it. Despite his fears about speaking too fast and all that, he is most unlikely to grow pompous on the way.

Peter Hennessy

Industry in the regions

In spite of a shrinking labour force and continuing investment in modern cargo-handling facilities, the Port of Liverpool could become increasingly uncompetitive, and the North-west's trade and industry further undermined as a result.

This is the gloomy forecast by some of the port's main users who are faced with the probability of another big increase in master port charges next month.

The Liverpool Master Porters and Master Stevedores Association has given notice of a proposed increase from February 1. Although no figures have been announced, there are suggestions that the increase could be as much as 30 per cent. This would come on top of a 15 per cent rise in other port dues which came in on January 1.

The final decision on the size of the increase in the port dues is being moved to a general cargo from ships to rail and road transport will not be made until after a meeting of Liverpool's Porters Rates Panel on Thursday.

However, opposition to a rise of anything approaching 30 per cent is already growing and no doubt will be marshalled into a strong lobby at a meeting on Wednesday of the Port Users' Committee, which has representatives on the Rates Panel.

One of these representatives is Mr George Alloway, vice-president of the Liverpool

New cargo charges pose problems in Liverpool

Corn Trade Association. He says: "The Port of Liverpool is becoming increasingly uncompetitive, and an increase in master port charges coming on top of the recent increase in port dues presents a very serious situation. The sort of increase that is being suggested could only drive more trade away."

Charges or master portage at Liverpool were increased by 12 1/2 per cent last May after a dockers' pay settlement.

The porters' association argues that in recent years changes in the general cargo commodity mix have led to increased costs because they involve more sorting and classification of the cargo. It is claimed that on the basis of the costs involved in this highly labour intensive operation, an increase of more than 30 per cent could be justified.

It is the labour element in the handling of general cargo—which is still a crucial port function for the region's importers and manufacturing

firms in spite of the growth of bulk handling facilities on Merseyside—that makes master portage such a controversial issue.

The Mersey Docks and Harbour Company has been investing heavily in new facilities, and an £8.5m modernization programme on the waterfront has been started.

At the same time the port's dock labour force has been halved to just over 5,000 in the past few years. However, the port is still overmanned with an average daily surplus of up to 1,000 men. The port authority—the largest employer of dockers and other port employers have had to meet substantial "voluntary severance" payments. They will have to budget for more redundancy payments if the new scheme to further reduce the labour force this year is agreed with the Dock Labour Board.

Master portage operations have increasingly become the one area of port activities in which a high percentage of costly dock labour is concentrated while other port activities are shedding labour.

Although it seems likely that some sort of compromise solution will be reached over the charges, the longer-term view can only be that ultimately the high labour cost element in master portage operations will have to be passed on to port users.

R. W. Shakespeare



Sir Lawrence Airey, preparing to be "suitably solid" as he is ushered to the Inland Revenue chair by his predecessor, Sir William Pile.

TENDERS MUST BE LODGED NOT LATER THAN 10.00 A.M. ON THURSDAY, 19TH JANUARY 1980 AT THE BANK OF ENGLAND, NEW JONES, 100, ABINGDON STREET, LONDON, EC4M 9AA OR BY TELETYPE, 10.00 P.M. ON WEDNESDAY, 17TH JANUARY 1980 AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENTS OF THE BANK OF ENGLAND. TENDERS MUST BE IN SEALED ENVELOPES MARKED "EXCHEQUER TENDER".

ISSUE OF £1,100,000,000

14 per cent EXCHEQUER STOCK, 1984

MINIMUM TENDER PRICE £96.50 PER CENT

PAYABLE IN FULL WITH TENDER

INTEREST PAYABLE HALF-YEARLY ON 22ND MAY AND 22ND NOVEMBER

This Stock is an investment falling within Part II of the first Schedule to the Finance Act 1963. It is not to be treated as a loan for the purposes of the Finance Act 1963.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for £1,100,000,000 of the above Stock; the balance of £1,100,000,000 has been reserved for the National Debt Commissioners for public funds under their management.

The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Stock will be repaid at par on 22nd May 1984.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable in multiples of one new penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 22nd May and 22nd November. Income tax will be deducted from payments of more than 15 per cent. Interest warrants will be transmitted by post at the first payment due on 22nd May 1980 at the rate of £5.104 per £100 of the Stock.

Tenders must be lodged not later than 10.00 a.m. on Thursday, 19th January, 1980 at the Bank of England, New Jones, Watling Street, London, EC4M 9AA or not later than 5.00 p.m. on Wednesday, 17th January 1980 at any of the branches of the Bank of England or at the Glasgow Agency of the Bank of England. Each tender must be for one amount and of one price. The minimum price, below which tenders will not be accepted, is 96.50 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 25p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

Tenders must be accompanied by payment in full, i.e. the price tendered (minimum of £96.50 for each £100 nominal of Stock tendered for). A separate cheque must accompany each tender; cheques must be drawn on a bank in and payable in the United Kingdom, the Channel Islands or the Isle of Man. Tenders must be in sealed envelopes marked "Exchequer Tender".

Tenders must be for a minimum of £100 Stock and for multiples of Stock as follows:

Amount of Stock tendered for	Multiple
£1,000-£2,000	£100
£2,000-£5,000	£500
£5,000-£10,000	£1,000
£10,000-£100,000	£5,000
£100,000 or greater	£10,000

Her Majesty's Treasury reserve the right to reject any tender or to allot a less amount than that tendered for. If under-allocated, the Stock will be allotted at the minimum price. The balance of Stock not tendered for being allotted at the minimum price to the Governor and Company of the Bank of England, Issue Department. If over-allocated, all allotments must be made at the lowest price at which any tender accepted (the allotment price), tenders at prices above the allotment price will be allocated in full.

Letters of allotment in respect of Stock tendered will be despatched by post at the risk of the tenderer. No allotment will be made for a less amount than £100 Stock. In the event of partial allotment, or of tenders at prices above the allotment price, the excess amount will be refunded by cheque despatched by post at the risk of the tenderer; if no allotment is made the amount paid with tender will be returned.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Jones, Watling Street, London, EC4M 9AA, or by any of the branches of the Bank of England, on any date not later than 25th March 1980. Such requests must be signed and must be accompanied by the letters of allotment. Letters of allotment, accompanied by a completed registration form, must be lodged for registration forthwith and in any case they must be lodged for registration not later than 7th March 1980.

Tender forms and copies of this prospectus may be obtained at the Bank of England, New Jones, Watling Street, London, EC4M 9AA, or at any of the branches of the Bank of England, or at the Glasgow Agency of the Bank of England, or at the Bank of Ireland, P.O. Box 13, Donegal Place, Belfast, BT1 5BN; at Mullens & Co., 15 Moorgate, London, EC2R 6AA; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
4th January 1980

THIS FORM MAY BE USED

TENDER FORM

This form must be lodged not later than 10.00 a.m. on Thursday, 19th January, 1980, at the Bank of England, New Jones, Watling Street, London, EC4M 9AA, or not later than 5.00 p.m. on Wednesday, 17th January, 1980, at any of the branches of the Bank of England or at the Glasgow Agency of the Bank of England. Tenders must be in sealed envelopes marked "Exchequer Tender".

ISSUE OF £1,100,000,000

14 per cent EXCHEQUER STOCK, 1984

MINIMUM TENDER PRICE £96.50 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
I/we tender in accordance with the terms of the prospectus dated 4th January, 1980, as follows:

Amount of above-mentioned Stock tendered for, being a minimum of £100 and in a multiple as follows:

Amount of Stock tendered for Multiple
£1,000-£2,000 £100
£2,000-£5,000 £500
£5,000-£10,000 £1,000
£10,000-£100,000 £5,000
£100,000 or greater £10,000

The price tendered for £100 Stock, being a multiple of 25p and not less than the minimum tender price of £96.50.

Sum enclosed, being the amount required for payment in full, i.e. the price tendered (minimum of £96.50 for every £100 nominal of Stock tendered for).

I/we request that any letter of allotment in respect of Stock tendered to me/us be sent by post at my/our risk to me/us at the address shown below.

January, 1980 SIGNATURE of, or on behalf of, tenderer
PLEASE USE BLOCK LETTERS

MR/MRS/MISS
FORENAMES IN FULL
SURNAME
FULL POSTAL ADDRESS
POST-TOWN
COUNTY
POSTCODE

The price tendered must be a multiple of 25p and not less than the minimum tender price. If no price is stated, this tender will be deemed to have been made at the minimum tender price. Each tender must be for one amount and of one price. A separate cheque must accompany each tender. Cheques should be made payable to "Bank of England Exchequer Stock".

Payments must be drawn on a bank in and payable in the United Kingdom, the Channel Islands or the Isle of Man.

STAMP OF LODGING AGENT (IF ANY)

Have Times will travel.

If you're planning a journey The Times is just the ticket.

Our holiday and travel columns are published every day and carry a host of advertisements that'll help you make a fast getaway.

Cheap flights to world wide destinations, package deals to the sun or snow, villas on the Mediterranean, South Sea cruises or adventure treks through Darkest Africa.

Wherever you're going the place to start is in The Times Classified pages.

THE TIMES

FINANCIAL NEWS AND MARKET REPORTS

Poor countries have assets but lack money

Among the unenlightened, the view was long prevalent that the preponderance of mining developments in the rich countries of the world was conclusive evidence of God's Anglo-Saxon origins. Ignoring the little matter of Middle East oil, intensive exploration for nearly two decades in apparently less favoured countries has called this supposition into question.

But even if the countries of the Third World, are well-endowed naturally, there is one respect in which they could feel that the God of London is biased against them: they have little money with which to develop their assets.

The problem, in fact, is serious for all of us, as a recent United Nations study has pointed out. It is estimated that if sufficient capacity is to be installed for iron ore, copper, aluminium, zinc, nickel and lead to meet forecasted extra demand for these metals between 1975 and 1990, total annual investment in the centrally planned economies will have to be \$12 billion.

Of that amount, about \$4 billion a year will need to be found in the Third World. The project is based on the contribution known mineral reserves in the Third World can make to international demand. It is not, therefore, an

Mining

Predicting commodity shortages is generally imprudent, given the wondrous ways in which markets perform. But official concern, often strategic, has been expressed on this score by the governments of the United Kingdom, West Germany, and the United States, among others. The United States has proposed that an International Resources Bank be established.

The United Nations itself has undertaken a continuous and extensive programme of mineral exploration in the Third World, in addition to the normal work of mining companies. But the official conclusion is that of 14 discoveries classified as major between 1960 and 1976, only half have been or are being brought to production.

Lack of finance is the main

reason for the inordinate lag in exploiting the Third World mineral reserves, other than oil. Only a small proportion of the necessary capital can be provided by the Third World itself. It is calculated, for example, that of the \$4 billion required over the next 10 years—most long in terms of developing new mines—about three-quarters will have to come from outside.

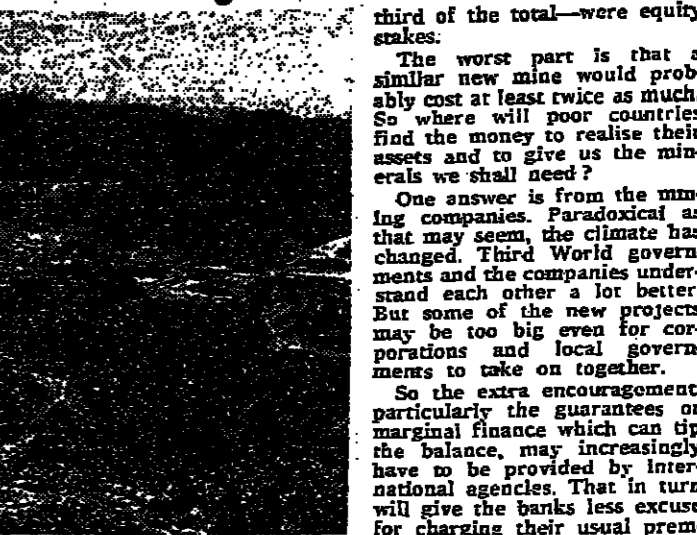
But the traditional sources of finance, the big mining companies themselves, have shown a marked reluctance over the last decade to spend on this scale in the Third World. Some companies, Amstar is a case in point, make no bones about their policy of concentrating investment in "stable" countries. Others, such as Rio-Tinto-Zinc, with huge developments at Rossing and Bougainville, have been more adventurous.

It is nevertheless true that very few base metal projects have been undertaken by mining companies in the Third World over the last five years.

This is not exclusively the fault of the companies. They were understandably deterred by the space of tax and royalty increases, forced sale of equity stakes, and outright nationalization, which accompanied the political emancipation of many colonial territories.

Bougainville Copper mine in Papua New Guinea.

The slowdown in the world economy during the 1970s, a period which saw depressed prices for many of the metals in the United Nations study, did not help. Above all, simultaneous inflation enormously increased the cost of new mines and the complexity of financing them.



third of the total—were equity stakes.

The worst part is that a similar new mine would probably cost at least twice as much. So where will poor countries find the money to realise their assets and to give us the minerals we shall need?

One answer is from the mining companies. Paradoxical as that may seem, the climate has changed. Third World governments and the companies understand each other a lot better. But some of the new projects may be too big even for corporations and local governments to take on together.

So the extra encouragement, particularly the guarantees or marginal finance which can tip the balance may increasingly have to be provided by international agencies. That in turn will give the banks less excuse for charging their usual premiums on loans to underdeveloped countries. If such cooperation became the norm, it might turn out that God is coffee coloured.

*Financing Mining Projects in Developing Countries: A United Nations study. By M. Radetzki and S. Zovini. Mining Journal Books, London 1979.

Michael Prest

Insurance and banking part of mixed bag

There is a fairly mixed bag of companies reporting this week with interim figures from insurance broker Hogg Robinson, along with full year figures from Sotheby's, the auctioneers, ending with interim figures from Reron Motor and preliminary profits from English China Clays.

Economic indicators are also fairly active this week following the Christmas holidays. On Monday the Department of Industry weighs in with the Wholesale Price Index for December and on Tuesday the Central London Clearing Banks publish the London clearing banks' monthly statement up until mid-December. Again on Tuesday the UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits for December are published.

On Monday the Department of Industry weighs in with the Wholesale Price Index for December and on Tuesday the Central London Clearing Banks publish the London clearing banks' monthly statement up until mid-December. Again on Tuesday the UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits for December are published.

The first of the more important companies reporting is Hogg Robinson on Wednesday, where experts will be looking for September 30, to reflect the general downward trend being experienced among insurance brokers.

Profits here are anticipated to be at the higher end of the scale. There has been a set-back of between 20 per cent to 40 per cent throughout the industry.

Most analysts expect profits to be around the £2.3m to £3m mark compared with £3.3m last time. Conditions in the second half look to be little better with the majority going for £8m to £9m against £12.2m last year.

The main drawbacks include the weakness of the major US market, which Hogg Robinson is less reliant on than others, but which has meant too many companies chasing too little business. Added to this is the renewed strength of sterling coupled to a general rise in broker's expenses.

A lot of interest this week will be centred on the full year figures from Sotheby's. The main drawback here is whether the group can match last year's strong performance which was boosted by the von Hirsch collection. Most City observers believe it will be a setback for the year to August 31 year between £8m and £10m compared with £7.02m last time.

Profits in the first half, of £4.3m, were well received mainly helped along by the lucrative business of pre-tax rise in sterling has bound to have had a slowing down effect on profits in the second half.

Another important feature on Thursday is the full year profits from English China Clays. The group's pre-tax profits in the first half of £10.4m being below most

expectations the figure for the full year is hoped to rise from £23.5m to a healthy £29.5m.

The group has been helped along by two price increases last year the first of between 10 and 15 per cent in January with took some time to filter through because of the industrial unrest last winter, and another in July of between 8-13 per cent. The group was able to raise its price twice in one year mainly due to the sharp rise in pulp. As a result the

UK car industry. Pre-tax profits are anticipated to be in the region of £12m as against £18m for the corresponding period.

Estimates for the full year fall in around the £3m mark against £3.5m last year. A combination of problems has resulted in a squeeze on margins including the rise in VAT, fears that the Government might crack down on company car perks and the major problems at British Leyland.

TODAY: Interims—Brown & Tawse, and H. Samuel. Finals—Globe Phoenix Gold Mining, Hogg Robinson Group, Hollis Group, Marler Estates, Melody Mills, Floam-Camford Engineering, Inury Property Higgs, McCorquodale, M. and G. Dual Text and Westland Aircraft.

THURSDAY: Interims—Ratners, Somerley, Higgs, Symonds Eng and John Waddington. Finals—Bond Street Fabrics, English China Clay, First National Finance, Plasmura, and Sotheby's Parkes Bernet.

FRIDAY: Interims—Heron Motor Group, Finals—Assoc Newspapers, Daily Mail & General Tst (18 months), Grange Tst, Robert H. Lowe, and Sidlaw Industries.

Michael Clark

This week

clay side continues to do well with the first half of about 80 per cent but poor weather in the first half meant a setback for its quarrying and road maintenance divisions.

However, it is hoped that a strong second half performance may have cancelled this out. On the leisure side a contribution of about £1m is expected which should prove satisfactory when compared with its usual winter overheads encountered in this extremely cyclical business.

Lastly on Friday come interim figures from Heron Motor Group which should reflect the problems besetting

The list of those companies not but comprises Alcan, British Aluminium, Chloride, Delta Metal, IMI, Johnson Matthey, Lead Industries, Marlonair, McKenna Bros, and Morgan Crucible.

A cool view of company liquidity is taken by Simon & Coates, where research is supervised by the general Mr Michael Prag.

In his latest policy note, Mr Prag writes: "The latest available data continues to point to a relatively satisfactory situation when assessed on a cyclically adjusted basis, since although the most recent Department of Industry survey highlighted a significant decline in the relevant ratio in the third quarter of 1979, this reflected not only the effects of the engineering strike but, more importantly, further stock accumulation (much of it involuntary and therefore temporary)."

A return to more appropriate stock levels over the next few months can therefore reasonably be expected to provide an important offset to the pressures which will emanate from other sources."

The latest list of recommended shares are S & W Berwick, Blue Circle, Johnson & Firth, Brown, Lucas, Royal Insurance, and Sears Holdings.

Peter Wainwright

Unitech has appointed Mr T. M. Curtis to its board.

Mr David A. Caruth has accepted the position of a non-executive director of Matthew Hall & Co. Mr Charles Watson has resigned as a director of the company and as managing director of Holiday Hall & Co. Mr Michael Holliday has been appointed managing director of Holiday Hall & Co. Mr Arthur Hoskins will become non-executive chairman of Holiday Hall.

Mr Colin Mellors, at present senior general manager of Barclays Bank International, Africa, will be moving to Rhodesia as senior general manager of BBI. Mr Don Payne succeeds Mr Mellors as assistant general manager of Barclays group representative in a newly opened office in Bombay, India.

Mr S. D. Armitage has been appointed to the board of Armitage Brothers.

Mr M. Samuels has been appointed a director and secretary of UDS Group. Mr D. Houghton has resigned as company secretary.

Mr John Bentley has been unanimously elected chairman of the Tebbitt Group. Dr H. Fletcher, the retiring chairman, will remain as a non-executive director.

Mr P. B. Lake has been appointed a director and chairman of Christy Brothers.

Borrowing increase at Borthwicks

By Alison Mitchell
Britain's largest meat producer, Borthwicks, had a cash outflow of £2.3m in the year to September 30, 1979, mainly as a result of an increase in capital spending to £6.9m in the period.

Cash and short-term deposits slipped from a previous £6.2m to £1.8m while long-term debt rose by £4.6m to £31.8m, pushing borrowings, as a percentage of shareholders funds, up by a half to 30 per cent.

However, Borthwicks chairman, Dr Bill Bullen, tells shareholders in the annual report that, with the new retailing businesses less hungry for capital than the group's traditional meat operations, he is not unduly worried by the high level of money.

The non-meat divisions, which include food manufacturing and catering, flavours and essences and the by-product supply of hides and skins to the tanning and leather market, ought to contribute an increasing proportion of profits, he added.

A note to the accounts shows that Borthwicks made an £88,000 compensation payment to a director for loss of office. In the year under review group managing director, Mr David Burdett, resigned from the board, having worked for the group for two years.

Several of the directors have reduced their beneficial share holdings. Sir John Borthwick, recently appointed vice-chairman has reduced his stake by 23,000 to 127,000 while Mr Christopher Fleming



Dr Bill Bullen, chairman of Borthwicks.

cut his shareholding by 20,000 shares leaving him 50,000. The accounts also show that the insurance payout for the fire at the lamb chilling and cutting complex at Waitara, New Zealand, was some £3.2m higher than the net book value. The chairman reports that the rebuilding is now underway and he expects a full season's production in the current year.

Two changes in the accounts have marginally altered the annual pre-tax profit figure. After a revaluation of fixed assets the depreciation charge has been increased by £900,000 while the 36.1 per cent stake in Stanbrook Pastoral has been consolidated for the first time.

The effect of this is to add £1m to profits, virtually cancelling out the depreciation increase. State pre-tax profits in the year rose from £6.2m to 7.3m.

Big rise in Visa volume

Worldwide dollar volume of the Visa card rose to \$9.7bn in the three months to September 30, 1979, a gain of more than a quarter on the previous corresponding period. Visa's total volume for the first three months of 1979 rose by almost a third to \$27.9bn.

Visa is a non-profit-making international credit card group of which the British member is Barclaycard. At the end of September there were 11 million cards in circulation, an increase of 17 per cent on the previous year and the number of retail outlets honouring Visa had risen 8 per cent to 3 million.

Chrysler improves
Chrysler Corporation said car sales for the last 10 days of December were up by about

International

75 per cent from mid-December sales, but gave no specific figures.

The company attributed the rise in market share to the federal loan guarantees passing Congress.

Chrysler said, during labour negotiations with the United Auto Workers Union, that its domestic market share for the last 10 days of 1979 was about 12.4 per cent, up from 8.5 per cent for the middle 10 days. The figures include import sales.

W. German loans
The West German Federal Government loan totalling Dm1.5bn was believed not fully placed when its subscription period on the domestic bond market ended, bond market sources said.

Little investor interest was detected for the single-tranche 10-year loan with 7.5 per cent coupon at 99 per cent with interest overshadowed by the new Federal Railway Loan, terms of which have been assured.

The sources said the market expects the railway offering, totalling Dm750m over 12 years with an 8 per cent coupon at par, will have little difficulty in being fully placed.

Roche sales rise
Hoffmann-La Roche of Switzerland says that its provisional figures for 1979 show an increase in its consolidated turnover of about 7 per cent to more than 5,000m Swiss

francs and noted a slightly greater profitability. In 1978, group sales totalled 4,800m francs.

Currency fluctuations once again distorted the results expressed in Swiss francs as in local currency terms, group sales were up more than 15 per cent, which was generally in line with expectations, Roche said.

New Life Business

SCOTTISH MUTUAL ASSURANCE
New annual premium income written was £8.4m in 1978 (£6.9m in 1977) and single premiums and annuity considerations £5.8m (£2.3m). Corresponding net new life business assured £542.6m (£244.8m) and new pensions and annuities £13.2m per annum (£18.2m per annum).

YORKSHIRE GENERAL Life Assurance, the life company of General Assurance, announces that in 1979 net new sums assured were written amounting to £1,051m (£889m in 1978) of which £705m (£547m) was in respect of ordinary life business and £346m (£292m) in respect of pensions business. In addition immediate annuities of £9.6m per annum (£9.2m) deferred annuities of £21.6m per annum (£18.8m) and permanent health benefits of £4.4m per annum (£4.3m) were written.

Briefly

ENGLISH & OVERSEAS INV
Amex Bank has sold its beneficial holding of 100,000 shares registered in the name of American Express Nominees. Tulp Investments Company owned by Mr Ole Christensen, has acquired 100,000 ord shares at 22.19/32p per share.

CHESTER TRACTORS
"Flynno Limited, Europe's largest manufacturer of powered mowers, has agreed to purchase Chester Light Tractors, of Stockport, Cheshire. The move coincides with the pending retirement of Mr Peter Mitchell, managing director and general manager of the company. He will continue working with the company during the transition period.

Business appointments

New directors at C E Heath (Int)

Mr A. F. J. Bell and Mr J. Percy-Davis are appointed directors of C. E. Heath & Co (International). Mr R. M. Chisholm and Mr E. G. Rossdale become associate directors and Mr J. R. Houlder and Mr D. Jones assistant directors.

Other appointments in the group are Mr R. Fenn as associate director and Mr S. Bloom as assistant director of C. E. Heath & Co (Marine); Mr A. P. Murphy as director, Mr D. Bower and Mr K. D. Hodgett associate directors and Mr P. J. J. Fosse assistant director of C. E. Heath & Co (Reinsurance Brokers); and Mr T. C. Couter as director of C. E. Heath & Co (London).

Mr M. H. Goddard, deputy chairman and joint managing director, has been appointed chairman of C. E. Heath & Co (International). Mr W. L. Sims, who becomes honorary president of the company on retirement, Mr D. J. Mennell an associate director, Mr J. Mennell an associate director, Mr J. Mennell an associate director.

Mr A. C. Ashworth, non-executive chairman, becomes executive chairman of Burrell and Co, and Mr D. R. Fenn as assistant director of C. E. Heath & Co (International). Mr J. S. Hannam has been appointed a director of London and Provincial Shop Centres (Holdings).

Mr N. Miller-Cheevers has been made a director of E. J. Riley. Mr M. E. Burn has been appointed director of Godwins (Midlands & West), has been appointed as a director of Godwins.

Mr W. D. K. Wilson will be managing director and chief executive of Gallaher Tobacco, a new management company to the United Kingdom tobacco business of The Gallaher Group. The directors are Mr A. H. Miller, production; Mr A. H. Clark, finance; Mr D. R. Hare, sales; Mr R. F. Tavenor, managing director, becomes chief executive.

Mr D. E. Fellows has been appointed a director and Mr R. J. L. Richards a director and general manager of Prudential Pensions.

Mr John B. R. Sheldon has been made a director of KCA International among a number of appointments in the KCA Group. Mr A. C. Barnard has been appointed managing director of KCA Develing. Mr R. F. Tavenor, managing director, becomes chief executive.

Mr A. V. Kirkwood becomes executive director of B. W. Mud. Mr J. E. Lloyd has been appointed deputy managing director and Mr C. P. Cardiff export sales director of Portals. Mr M. H. Farage becomes managing director

Mr R. Tavenor, has been appointed chief executive of Stone-Platt Industries.

Mr A. Ash works director of Portals (Ryburndale).

Mr C. B. Smith has been appointed a director of George Wigg.

Mr Geoffrey L. Lawrence has been appointed managing director of Zenith Carburator.

Sir David Scott-Barrett has become an executive director of Arbuthnot Securities.

FINANCIAL NEWS AND MARKET REPORTS

US ban on grain to Russia hits dry sector

The slow return to normal for the freight market following the long holiday was shattered in the dry cargo sector in particular by the threat of a United States ban on further grain sales to the Soviet Union.

While the threat, which is being used as a means of retaliation after Russia's intervention in Afghanistan, still has to become a reality the United States Department of Agriculture is undertaking a study of the impact which such a ban would have.

Looking ahead, the general feeling in the marketplace was that dry cargo activity would remain relatively stable through to the summer of this year.

Freight report

That feeling was based on a steady level of Soviet grain shipments. If a ban is introduced this forecast would receive a severe knock.

Ironically, the United States department announced another small grain purchase last week amounting to some 140,000 tons. This brings total purchases so far in the fourth year of the five-year deal between the United States and Russia to 11.1 million tons of corn with the total of all grain purchases standing at 16.5 million tons.

As to actual trading, for owners, brokers and charterers most of last week was spent in picking up where they left off prior to the holiday. Trading was generally slow but there were hints of both China and the Soviet Union taking tonnage.

As usual, few details were available. Among the Soviet tonnage booked was reported to be a 28,000 tonner for a six months period at \$7,700 daily. As far as the Chinese are concerned, there were no indications that rates were remaining at pre-holiday level.

Transatlantic grain fixing continued to be subdued although a few bookings were made and chartering was still being influenced by the holiday. It is too early to judge what the market performance will be in the early part of 1980 but immediately for the United Kingdom the steel strike will not help and the India elections are holding up this country's chartering activities.

Unlike previous years the tanker market experienced an active first week of the year with demands for medium-sized vessels being good. Interest overall was at a greater pitch than usual and the crude availability reasonable. However, interest in larger tonnage out of the Gulf weakened and rates slipped back accordingly.

Of the vicarious last week, Gulf oil Europe charters slipped from worldwide 55 at end-December to worldwide 49 just after new year.

David Robinson

More share prices

The following will be added to the London and Regional Share Price List tomorrow and will be published daily in Business News.

Commercial Industrial
Kumtek Holdings
Warner Holidays
Properties
Wereldhave

Bank Base Rates

Bank	Base Rate
ABN Bank	17%
Barclays Bank	17%
CCIT Bank	17%
Consolidated Credit	17%
C. Hoare & Co.	17%
Lloyds Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Rosenminster	17%
TSB	17%
Williams and Glyn's	17%

* 7 day deposit on sums of £10,000 and under 15%, over £25,000 12.5%.

Volatile silver market conditions expected to continue

Overall, it appears likely that the current volatile conditions in silver will continue for the time being, with large price swings occurring in response to changes in speculative sentiment, but with the underlying tendency remaining firm, in support of the recent upward initiative which has taken place.

This view is expressed by Samuel Montagu in their new silver market review, the metal's performance in December. They recall that during the first part of the month prices remained in a comparatively stable range between \$19 and \$20 per troy ounce, providing some consolidation of the rapid rise which had occurred over the last few days of November.

The initial firmness, reflected in a quotation of \$19.88 on the 3rd was not sustained in the short term and prices drifted back to \$19.09 on the 10th, but at this point the upward momentum was strongly re-established, and once the \$20 level had been exceeded for the first time on the 12th, quotations quickly advanced during the next 10 days, reaching \$24.00 by the 24th.

After the holiday break, the buoyant tendency was reinforced by the worsening political situation in Afghanistan, and in the thin conditions prevailing a further powerful upsurge in prices took place, so that on the 31st a new record level of \$32.20 was quoted.

After a period of comparative quietness during the greater part of October and November, says the letter, the silver market swiftly responded to a revival of speculative activity with a massive advance in quotations very similar to that which had occurred during September.

As to actual trading, for owners, brokers and charterers most of last week was spent in picking up where they left off prior to the holiday. Trading was generally slow but there were hints of both China and the Soviet Union taking tonnage.

As usual, few details were available. Among the Soviet tonnage booked was reported to be a 28,000 tonner for a six months period at \$7,700 daily. As far as the Chinese are concerned, there were no indications that rates were remaining at pre-holiday level.

Transatlantic grain fixing continued to be subdued although a few bookings were made and chartering was still being influenced by the holiday. It is too early to judge what the market performance will be in the early part of 1980 but immediately for the United Kingdom the steel strike will not help and the India elections are holding up this country's chartering activities.

Unlike previous years the tanker market experienced an active first week of the year with demands for medium-sized vessels being good. Interest overall was at a greater pitch than usual and the crude availability reasonable. However, interest in larger tonnage out of the Gulf weakened and rates slipped back accordingly.

Of the vicarious last week, Gulf oil Europe charters slipped from worldwide 55 at end-December to worldwide 49 just after new year.

Eurobond prices (yields and premiums)

US STRAIGHTS	Offer Price	Yield	Premium
SEC 8 1/2% 1980	99 1/2	12.25	
SEC 9 1/2% 1980	99 1/2	11.87	
SEC 10 1/2% 1980	99 1/2	11.50	
SEC 11 1/2% 1980	99 1/2	11.13	
SEC 12 1/2% 1980	99 1/2	10.75	
SEC 13 1/2% 1980	99 1/2	10.38	
SEC 14 1/2% 1980	99 1/2	10.00	
SEC 15 1/2% 1980	99 1/2	9.63	
SEC 16 1/2% 1980	99 1/2	9.25	
SEC 17 1/2% 1980	99 1/2	8.88	
SEC 18 1/2% 1980	99 1/2	8.50	
SEC 19 1/2% 1980	99 1/2	8.13	
SEC 20 1/2% 1980	99 1/2	7.75	
SEC 21 1/2% 1980	99 1/2	7.38	
SEC 22 1/2% 1980	99 1/2	7.00	
SEC 23 1/2% 1980	99 1/2	6.63	
SEC 24 1/2% 1980	99 1/2	6.25	
SEC 25 1/2% 1980	99 1/2	5.88	
SEC 26 1/2% 1980	99 1/2	5.50	
SEC 27 1/2% 1980	99 1/2	5.13	
SEC 28 1/2% 1980	99 1/2	4.75	
SEC 29 1/2% 1980	99 1/2	4.38	
SEC 30 1/2% 1980	99 1/2	4.00	
SEC 31 1/2% 1980	99 1/2	3.63	
SEC 32 1/2% 1980	99 1/2	3.25	
SEC 33 1/2% 1980	99 1/2	2.88	
SEC 34 1/2% 1980	99 1/2	2.50	
SEC 35 1/2% 1980	99 1/2	2.13	
SEC 36 1/2% 1980	99 1/2	1.75	
SEC 37 1/2% 1980	99 1/2	1.38	
SEC 38 1/2% 1980	99 1/2	1.00	
SEC 39 1/2% 1980	99 1/2	0.63	
SEC 40 1/2% 1980	99 1/2	0.25	

Weekly list of fixed interest stocks

Company	Price	Change	Yield	P/E
4.78 Airsprung Group	74	-1	6.7	9.0
950 Armitage & Rhodes	220	+1	13.8	6.0
6.721 Bardon Hill	92	-	5.0	5.4
6.351 Deborah Ord	353	-	17.5	5.0
706 Deborah 17 1/2 CULS	91	+1	7.9	8.7
2.900 Frank Horsell	108	+1	12.8	11.8
15.602 Frederick Blair	110	-	16.5	15.0
2.342 George Blair	59	-	5.2	8.8
1.475 James Burrough	116	-	7.2	10.2
2.488 Robert Jenkins	244	-	31.2	12.8
3.379 Torday Limited	162	-	0.8	5.0
2.075 Twinklack 12 1/2 ULS	75	-	2.6	4.6
7.313 Unilock Holdings	83	-	4.4	5.3
10.485 Walter Alexander	184	-1	11.5	6.3
4.294 W. S. Yates	184	-1	11.5	6.3

*Accounts prepared under provision of SSAP15

Once again, whereas all precious metals exhibited a strongly rising tendency through the month, in silver the excitation in prices was very much greater than in gold and platinum.

Whereas on the previous occasion the volume of business accompanying the rapid rise was exceptionally heavy, activity has been noticeably less during the recent period of greatest price advance, reflecting a lack of sellers even at currently prevailing price levels.

On the United States futures market, says the letter, trading has been generally at rather modest levels, being restricted on a number of days to the

Commodities

nearby delivery month, with other forward months constrained by the daily permissible price movement from the previous closing level.

Open interest on the New York Commodity Exchange has remained steady, standing at 132,941 contracts on December 27, compared with 134,207 contracts on November 30. Whereas house stocks have shown a further increase over the month to 72.6 million ounces on December 26, having been 69.4 million ounces on November 30, whereas the Chicago Board of Trade they remained essentially unchanged at 58.3 million ounces.

The most noteworthy feature of the past month's activity, says the letter, is that a substantial increase in quotations has occurred for a number of commodities which were already considered by many observers to be extremely high, at a time when the future supply/demand pattern appeared to be pointing towards an improved availability

of offerings to the market.

"Clearly the impetus for the rapid escalation in prices has been largely speculative, prompted initially by the news of higher than anticipated increases from the oil producing countries and further reinforced by the escalating tension in Afghanistan coupled with continued political and economic problems in Iran.

"Moreover, there has also been good consumer interest in Europe, which has assisted in steadying the market at times when profit taking might otherwise have precipitated a sudden decline in prices."

Sugar outlook. Brokers C. Zarnikow say in their annual sugar review that the annual supply position will clearly be much tighter in 1980 than for several years.

Whether the supply tightness will ease in the second half of the year, as has been forecast in some quarters, will depend on many currently unknown factors of production and consumption.

Apart from government decisions in 1980 on whether to import or export, the United States Congress has yet to pass legislation enabling it to play its full part in the International Sugar Agreement, while the EEC has to decide on production policy for the next five years.

The size and timing of any further Soviet sugar purchases for 1980 arrival are also likely to have an important bearing on the world market, Zarnikow says.

The Soviet Union bought sugar in November and December and is unlikely to have completed purchases for 1980 arrival having come to the market so early in its producing season.

Wallace Jackson
Commodities Editor

Dissenting view of Dm issues

West Germany's success in resisting inflation over the past year has provided a strong inducement for the country to purchase internationally distributed bonds denominated in Deutschmarks, writes A.P. Dow Jones.

In the 1970s, investors in Deutschmarks have consistently benefited from large real yields after the effects of inflation have been deducted.

From the point of view of dollar-based investors, the relatively inflation-free expansion of the German economy has brought with it considerable appreciation of the currency. The Deutschmark started the 1970s at about 25 cents and ended the decade at near 50 cents, representing an appreciation of 100 per cent.

Many analysts have argued that investment in Deutschmarks will remain attractive during this decade because the German electorate's deep-seated fear of inflation will allow German politicians to take any unpleasant measures needed to keep prices from rising swiftly.

However, Eurobond analysts at Ross and Partners (Securities) have taken a dissenting view, arguing that a long-term rise in Deutschmark yields and decline in prices could develop in the coming years, along the way, the Deutschmark will lose its status as a

"hard currency", these analysts assert.

Writing in *Ross and Partners* bond letter, Mr. Perry Aldred and Mr. Brian Scott Quinn contend that diversification out of the dollar and into Deutschmarks and other hard currencies will have run its course in the coming years. They expect the movement back into dollar and dollar securities to be early in the uncharted decade ahead

Euromarkets

rather than later", they said.

Their view of a reversal in fortune between the dollar and Deutschmark is based on the premise that the two economies' monetary stringency and the doubling of oil prices last year will produce the worst recession since the 1930s.

They argue that a world slowdown will have a much greater adverse effect on Germany's trade than on US trade, given Germany's high unit labour costs and its relative inability to save on energy costs.

The US trade outlook is considered to be better because the US can export a substantially reduced reliance on imported oil and at the same time replace imports of small cars with domestically built ones.

Therefore, Messrs Aldred

and Scott Quinn foresee Germany piling up substantial deficits for current trade in goods and services.

When the US current account is improving, they also point out that the Deutschmark is increasingly more widely held as a reserve currency and hence vulnerable to shifts in currency preferences.

In its November monthly report, the West German Federal Bank estimated that foreign holdings of Deutschmarks in Germany totalled the equivalent of about \$108bn at the end of last year, about double the amount held five years earlier.

"If the example of the two traditional reserve currencies—sterling and the dollar—is anything to go by, then reserve currency status can very quickly move from causing a currency to remain overvalued to a rapid downward adjustment on the world's foreign exchanges, the Ross and Partners report said.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Moreover, recent figures suggest that Germany's current account has recently begun to deteriorate. The West German Federal Bank reported last week that Germany's current account deficit for the first 11 months of the year to the equivalent of about \$5.1bn in the first 11 months of last year whereas the latest available US figures show that the US recorded a small surplus of about \$100m in the first nine months.

Unit Trust Prices—change on the week FT Index change on week 413.9—3.9(0.9%)

Unit Trust	Current Price	Change on Week	FT Index	Change on Week
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	413.9	-3.9
Abn-Amro	100.00	+0.10	41	

Prices on this page are now supplied by Exchange Telegraph's Epic system and are the last prices available from London stock market dealers yesterday evening. Various indices produced by The Times, including the index of 150 industrial stocks, are being reviewed and recalculated to cover the period of non-publication.

HOLIDAYS AND VILLAS

COURMAYEUR 775 - VAL D'ISERE 7115.
Prices include jet flights, coach transfers, accommodation, ski hire, lift tickets, ski school, and each resort. We have a selection of self-catering bed and breakfast and board Hotels. Also many vacancies in these top resorts throughout the winter.

SKI WEEKEND. This is your chance to squeeze in a few extra days skiing in January in our top resorts of Courmayeur, St Anton, Chamonix, Avoriaz. Prices from £400.00. Call for details and bookings contact 01-351 2191 (24-hour Brochurephone) or 01-352 7763.

SNOWJET. A unique service of flights and bus connections to most of our ski resorts for the independent skier. Call Falcon Ski Snowjet on 01-229 9484.

LONDON
FALCON SKI HOLIDAYS
260 FULHAM ROAD
LONDON SW10 9EL

FALCON SNOWJET
190 CAMPDEN HILL ROAD
LONDON W8 7TH
MANCHESTER 061-631 7000
GLASGOW 041-204 0242

FALCON SKI HOLIDAYS 1980
APRIL 1980

12/13 January, from only £89

CHALEY BARGAIN: TOP RESULTS	1 wk	2 wk
Chas. Martini, Arcadia 1 (1 wk only), Montebello	\$99	\$109
Gerre Chevrolet, Murres, San Jose		
W. J. Adams and Sons, San Jose		
Chas. Chevrolet, Flama, Los Arcos, Vol d'Isara (Cerrita)	\$109	\$119
Chas. Chevrolet, Arcadia, San Jose	\$119	\$129
San Cassiano, Avondale, La Plagne, Thmes, Vol d'Isara	\$129	\$139
Chas. Chevrolet 1850 (1 wk only), Maribel, Val de l'Or	\$139	\$149
SPECIAL BARGAIN: COURCEVILLE, 1850		
Chas. Chevrolet, Arcadia, San Jose	\$149	\$159
Chas. Chevrolet, Arcadia, San Jose	\$159	\$169
Chas. Chevrolet, Arcadia, San Jose	\$169	\$179
Chas. Chevrolet, Arcadia, San Jose	\$179	\$189
Chas. Chevrolet, Arcadia, San Jose	\$189	\$199
Chas. Chevrolet, Arcadia, San Jose	\$199	\$209
Chas. Chevrolet, Arcadia, San Jose	\$209	\$219
Chas. Chevrolet, Arcadia, San Jose	\$219	\$229
Chas. Chevrolet, Arcadia, San Jose	\$229	\$239
Chas. Chevrolet, Arcadia, San Jose	\$239	\$249
Chas. Chevrolet, Arcadia, San Jose	\$249	\$259
Chas. Chevrolet, Arcadia, San Jose	\$259	\$269
Chas. Chevrolet, Arcadia, San Jose	\$269	\$279
Chas. Chevrolet, Arcadia, San Jose	\$279	\$289
Chas. Chevrolet, Arcadia, San Jose	\$289	\$299
Chas. Chevrolet, Arcadia, San Jose	\$299	\$309
Chas. Chevrolet, Arcadia, San Jose	\$309	\$319
Chas. Chevrolet, Arcadia, San Jose	\$319	\$329
Chas. Chevrolet, Arcadia, San Jose	\$329	\$339
Chas. Chevrolet, Arcadia, San Jose	\$339	\$349
Chas. Chevrolet, Arcadia, San Jose	\$349	\$359
Chas. Chevrolet, Arcadia, San Jose	\$359	\$369
Chas. Chevrolet, Arcadia, San Jose	\$369	\$379
Chas. Chevrolet, Arcadia, San Jose	\$379	\$389
Chas. Chevrolet, Arcadia, San Jose	\$389	\$399
Chas. Chevrolet, Arcadia, San Jose	\$399	\$409
Chas. Chevrolet, Arcadia, San Jose	\$409	\$419
Chas. Chevrolet, Arcadia, San Jose	\$419	\$429
Chas. Chevrolet, Arcadia, San Jose	\$429	\$439
Chas. Chevrolet, Arcadia, San Jose	\$439	\$449
Chas. Chevrolet, Arcadia, San Jose	\$449	\$459
Chas. Chevrolet, Arcadia, San Jose	\$459	\$469
Chas. Chevrolet, Arcadia, San Jose	\$469	\$479
Chas. Chevrolet, Arcadia, San Jose	\$479	\$489
Chas. Chevrolet, Arcadia, San Jose	\$489	\$499
Chas. Chevrolet, Arcadia, San Jose	\$499	\$509
Chas. Chevrolet, Arcadia, San Jose	\$509	\$519
Chas. Chevrolet, Arcadia, San Jose	\$519	\$529
Chas. Chevrolet, Arcadia, San Jose	\$529	\$539
Chas. Chevrolet, Arcadia, San Jose	\$539	\$549
Chas. Chevrolet, Arcadia, San Jose	\$549	\$559
Chas. Chevrolet, Arcadia, San Jose	\$559	\$569
Chas. Chevrolet, Arcadia, San Jose	\$569	\$579
Chas. Chevrolet, Arcadia, San Jose	\$579	\$589
Chas. Chevrolet, Arcadia, San Jose	\$589	\$599
Chas. Chevrolet, Arcadia, San Jose	\$599	\$609
Chas. Chevrolet, Arcadia, San Jose	\$609	\$619
Chas. Chevrolet, Arcadia, San Jose	\$619	\$629
Chas. Chevrolet, Arcadia, San Jose	\$629	\$639
Chas. Chevrolet, Arcadia, San Jose	\$639	\$649
Chas. Chevrolet, Arcadia, San Jose	\$649	\$659
Chas. Chevrolet, Arcadia, San Jose	\$659	\$669
Chas. Chevrolet, Arcadia, San Jose	\$669	\$679
Chas. Chevrolet, Arcadia, San Jose	\$679	\$689
Chas. Chevrolet, Arcadia, San Jose	\$689	\$699
Chas. Chevrolet, Arcadia, San Jose	\$699	\$709
Chas. Chevrolet, Arcadia, San Jose	\$709	\$719
Chas. Chevrolet, Arcadia, San Jose	\$719	\$729
Chas. Chevrolet, Arcadia, San Jose	\$729	\$739
Chas. Chevrolet, Arcadia, San Jose	\$739	\$749
Chas. Chevrolet, Arcadia, San Jose	\$749	\$759
Chas. Chevrolet, Arcadia, San Jose	\$759	\$769
Chas. Chevrolet, Arcadia, San Jose	\$769	\$779
Chas. Chevrolet, Arcadia, San Jose	\$779	\$789
Chas. Chevrolet, Arcadia, San Jose	\$789	\$799
Chas. Chevrolet, Arcadia, San Jose	\$799	\$809
Chas. Chevrolet, Arcadia, San Jose	\$809	\$819
Chas. Chevrolet, Arcadia, San Jose	\$819	\$829
Chas. Chevrolet, Arcadia, San Jose	\$829	\$839
Chas. Chevrolet, Arcadia, San Jose	\$839	\$849
Chas. Chevrolet, Arcadia, San Jose	\$849	\$859
Chas. Chevrolet, Arcadia, San Jose	\$859	\$869
Chas. Chevrolet, Arcadia, San Jose	\$869	\$879
Chas. Chevrolet, Arcadia, San Jose	\$879	\$889
Chas. Chevrolet, Arcadia, San Jose	\$889	\$899
Chas. Chevrolet, Arcadia, San Jose	\$899	\$909
Chas. Chevrolet, Arcadia, San Jose	\$909	\$919
Chas. Chevrolet, Arcadia, San Jose	\$919	\$929
Chas. Chevrolet, Arcadia, San Jose	\$929	\$939
Chas. Chevrolet, Arcadia, San Jose	\$939	\$949
Chas. Chevrolet, Arcadia, San Jose	\$949	\$959
Chas. Chevrolet, Arcadia, San Jose	\$959	\$969
Chas. Chevrolet, Arcadia, San Jose	\$969	\$979
Chas. Chevrolet, Arcadia, San Jose	\$979	\$989
Chas. Chevrolet, Arcadia, San Jose	\$989	\$999
Chas. Chevrolet, Arcadia, San Jose	\$999	\$1009
Chas. Chevrolet, Arcadia, San Jose	\$1009	\$1019
Chas. Chevrolet, Arcadia, San Jose	\$1019	\$1029
Chas. Chevrolet, Arcadia, San Jose	\$1029	\$1039
Chas. Chevrolet, Arcadia, San Jose	\$1039	\$1049
Ch		

WITH FALCON

BROCHURE from 669 rooms. The brochure also features private yacht charter for 12 persons around the Greek islands plus a 100-page illustrated brochure on combination holiday based in Hydra.

Order your copy now and find further information, incentives and properties available in other fashionable locations or write to:—

**VILLA VENTURE LTD, 125
 Grosvenor Road, London
 S.W.1. Tel: 01-775 7135, 101
 1011-01-6024 telex 41731 ATOL
 14195 ABTA.**

JANUARY CHALET BARCANE	AOABA
--	--------------

James Morris Travel
specialists.

BLADON LINES TRAVEL
1. Brookmarch Rd. SW6,
London, S.W. 6
ATOL 12325.

**THE AMERICAN CHILD -
IS HE A MONSTER?**

Find out by spending next
summer as a camp coun-
ciler on an American summer camp.
FREE return flight, FREE
camp food, FREE clothing,
FREE pocket money.
Write now to
Mr. A.C. 57 Queens Gate,
London, S.W.7, or call 01-589
2222.

**EUROPEAN
ECONOMY FLIGHTS**

INCLUSIVE ARRANGEMENTS
Major cities £190
Naples £181
Athens £172
Venice £174
Other European destinations on
request

PILGRIM AIR LTD
44, Gresham Street, London, E.C. 2
Tel. 01-637 3311
Telex 17081
Teletype 01-637 3311

338) also Manchester 061-794-
662.

[illegible]

71 01-408 0202. CKERS WORLD Escorted Jour- vol. 01-898 SEC1. ABTA/ATO
ns. 1980. Voyage on the No. 334B.

Spain from £49!
Super low costs for January and winter from only £29 to Spain, Greece, Italy, Portugal, France, Morocco, Switzerland, Czechoslovakia and Holland: also Far East, Japan, Australia and Jo'burg from £260 Rm!

Candler Airline Agents
01-735-0000/0001/0002

TO ORDER

Specialists now and see
that we mean in our
new brochure
**FLORIDA
WORLD**
(of Fort Lauderdale &
London)
Woodstock St., London, W.1
01-491 4061, 01-491 4062
Concepture Travel Ltd., ABTA

.....

**GTFOURS
OFFERS**

FLY HIGH
WINTER FLIGHTS TO
MADRID

MALAGA	£58.50
FARO	£20.50

WICE WEEKLY I.T.	ATHENS	£88.50
HARTER FLIGHTS	CORFU	£87.50
ERLIN - FRANKFURT	MAHON	£69.50
UNICH - STUTTGART	PALMA	£59.50
AMBURG - HANOVER	MALTA	£90.50
• DUSSELDORF •	ROME	£81.50
	GERONA	£64.50
	IBIZA	£78.50
	RIMINI	£73.50

ME	VENICE	£71.50
+	CANARIES	£80.50

01-637 9664
01-636 7317
MIDAS, Wagner House,
296 Regent St., W.I.,
Access/Barclycard/VISA/Trust-
card accepted.

(continued on page 23)

Printed and Published by Times Newspapers
New Printing House Square,
Grays, Ind.
Tel: 01-637 1231
Telex: 264700
Telephone: 01-637 1231
Telex: 264700

Barcelona	£112.50	£94.50	Everyday
Bilbao	£101.00		

destination. But you have to stick to your original travel plans. You can't change

Super low costs for January and winter from only £19 to Spain, Greece, Italy, Roma-

[illegible]

01-491 4247/4294/4299
ceptre Travel Ltd. ABTA

STT TOURS
OFFERS

GERMANY
from \$44 return
TWICE WEEKLY L.T.
HARTER FLIGHTS
DUBLIN • FRANKFURT
MUNICH • STUTTGART
MUNICH • HANOVER
• DUSSELDORF

FLY HIGH
WINTER/SUMMER PRICES BEGIN

ALICANTE	\$54.50
MALAGA	\$58.50
FARO	\$64.50
ATHENS	\$88.50
CORFU	\$87.50
MAHON	\$69.50
PALMA	\$59.50
MALTA	\$90.50

WORLDWIDE SCHEDULED	GERONA	£64.50
	IBIZA	£78.50

For further details
please send coupon:
NAME _____
ADDRESS _____
CITY _____

Tourist facilities Ltd.
Kensington Church St.
London W8+01-229 4347
ATA • ATOL228CD • ABTA

RIMINI	£73.50
NICE	£94.50
VENICE	£71.50
CANARIES	£80.50

01-637 9664
01-636 7317

MIDAS, Walmer House,
298 Regent St., W.1, ATOL 563B,
Access/Bereavement/Visa/Triples
credit accepted.

(continued on page 12)

Grays Inn Road, London WC1X 8EZ,
England. Telephone: 01-837 1234, Telex:
264971. Monday

TO ORDER

01-491 4247/4294/4299
ceptre Travel Ltd. ABTA

MALAGA	£58.50
FARO	£20.50

WORLDWIDE SCHEDULED	GERONA	£64.50
	IBIZA	£78.50

01-637-9664

Grays Inn Road, London WC1X 8EZ,
England. Telephone: 01-837 1234, Telex:
264971. Monday

Grays Inn Road, London WC1X 8EZ,
England. Telephone: 01-837 1234, Telex:
264971. Monday